# The New REPUBLIC

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## The Week

THE compromise on currency stabilization which the London Conference worked out, and which President Roosevelt rejected, sounded fair on the surface, but in reality it would have been a victory for the gold-standard countries led by France. These countries are dominated by the policy of maintaining their present currency values, and of getting some concession to this end from the United States, regardless of anything else that may be done. Once the matter was settled, they would be in a position to delay revision of tariffs, quotas and other arrangements concerning which they are in no hurry to move. A declaration agreed to by the United States which emphasized their desire to keep the gold standard and our desire to get back to it as soon as possible would therefore have dealt two injuries to the American program. First, by underwriting the intention of the gold countries not to let their prices rise much—as some of them probably could not do without devaluation—it would provide an immediate deflationary influence, certain to react on American prices. Second, it would deprive the American delegation of the bargaining power which it now is using for an all-round program which will not only include all the matters on the agenda, but is intended to aid a worldwide movement of recovery.

IT MAY be urged against the President's strategy on stabilization that wide speculative swings in the dollar are injurious to whatever international trade is left, and damaging even to the internal recovery program. But it is almost certain that the checking of speculation will be delegated to the Federal Reserve and other central banks without any formal agreement. This is a better way to handle the practical issue; and it involves the government in no embarrassing commitments. It may further be urged that a merely speculative price rise based on the fall of the dollar is a shaky foundation for domestic recovery, that the rise in prices should not be general but should be confined largely to commodities which have been out of line, and that it should not go too fast and too far. Speculative and uncontrolled inflation would interfere with the policy of the Industrial Recovery administration to dampen down increases in the prices of manufactured products and of the Agricultural administration not to allow the increases in farm prices to be pyramided in retail prices of consumers' goods. In our opinion the administration ought to make it very clear to the London Conference that so far we have had no inflation attributable to monetary or credit expansion at all, that our price increases have come largely from greater activity as well as from the prospect of restricted output of agricultural products, and that it is this activity and the consequent employment in which we are really interested. As time goes on it will become increasingly clear, we believe, that recovery does not necessarily involve the sort of dangerous inflation of which Europe is afraid. The sooner Europe can be convinced that we do not intend to follow their post-war inflationary course to disaster, the easier it will be to enlist the coöperation of other nations in a sensible program.

IF NEWSPAPER reports are correct, and there is a divergence of opinion in administration circles regarding the extent to which the Public Works administration should spend the money authorized for construction, we hope that the group favoring as rapid expenditure as is consistent with the finding of


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useful projects, will win. So far, in spite of the many hopeful factors in recovery, an essential foundation is lacking—the construction industry is lagging behind. This means a delay in achieving much larger employment in an important group of industries. There is little prospect that the "natural" course of revival will soon operate to aid these industries; commercial and industrial buildings, as well as the more expensive types of housing, were really overbuilt in the boom, and a spirited revival now might lead to another collapse. But the nation is really behind the need, both for public works in the ordinary sense and for low-cost housing. They cannot be had except by spending public money. The criticism that money spent in this way really unbalances the budget, in spite of the fact that current or ordinary expenses are being met by current income, is unsound so long as provision is made currently for the carrying charges on the new capital expenditures. An unbalanced budget is a danger only when the government has to borrow for running expenses or for debt service. As for the increase in the burden of the long-term debt, that can easily be reduced when the recovery which the new expenditures stimulate acts to expand tax revenues.

THE textile code as amended after the hearings will accomplish within a few weeks—if the President approves it—a number of reforms for which years of struggle through old political channels were inadequate. Child labor is abolished in the industry, both by explicit agreement and by the establishment of a minimum wage making it unprofitable. The history of this reform is strewn with such wrecks as a child-labor law invalidated by the Supreme Court, a child-labor amendment opposed by numerous ill assorted interests and left unratified by the states, and state child-labor bills either defeated in the more backward states or unenforced if adopted. Where before there was a struggle to maintain forty-eight-hour laws for women in the more progressive states, we now have a forty-hour maximum for everybody in the whole industry. The minimum wages of $13 weekly in the North and $12 in the South, though higher than those originally proposed, are still low; nevertheless we scarcely had enforcible minima of any character under the old industrial regime, even in the better states. Not the least achievement in the code is the amendment setting up a permanent planning and legislative agency for the industry, under the federal administrator, which will have power to alter the hours of operation already adopted, to require uniform accounting and statistical information, to regulate the expansion of plant and equipment, to give engineering service, to relate the credit needs of the industry to the policy of those who supply credit, and to do other things which will introduce order into what was formerly chaos. The cotton-textile industry, which has been one of the plague spots of our economy, now has an opportunity to become a leader in sensible management.

THE only real success which has come out of the London Conference thus far has been achieved by Soviet Russia. When the Conference began, Maxim Litvinov announced that Russia would be happy to buy $1,000 million worth of goods from the great capitalist nations if they were prepared to extend to her credits in that sum. Nothing like that, of course, has been achieved, but the principle enunciated is being put into effect through the newly announced deal with the Reconstruction Finance Corporation. That agency will lend Russia about $4 million for the purchase of 50,000 to 60,000 bales of cotton, to be bought in the open market, and not to be taken from the government's surplus holdings. The loan is at 5 percent, for one year, and it is of course merely an opening wedge. It is expected that large additional sums may be loaned in the near future for the purchase of copper, agricultural machinery and possibly of wheat.

WHILE the purpose of such loans is chiefly to get rid of American surplus products, and not to make sure that the money will be repaid, the prospect of repaying is excellent. The security is the entire strength of the Russian government, whose high credit in international dealings is based partly on the fact that in the entire sixteen years of its history it has never once failed to pay promptly whatever it owed. The R.F.C. loan itself is of course insignificant compared with the fact that, through it, friendly relations between the governments of these two great nations are officially restored. The Reconstruction Finance Corporation is an official American agency; and the Amtorg, through which the transaction is handled, is an equally official branch of the U.S.S.R. Such a transaction in effect constitutes recognition; and no one can doubt that it will soon be followed by resumption of full diplomatic relations. It is the best news about America's foreign policy in many a day.

RUSSIA'S other achievement of the week was also arranged at London, and is the abolition of the double embargo which has stopped practically all trade between the Soviet government and Great Britain. Russia has released from prison the two English engineers, William MacDonald and Leslie C. Thornton, who had been sentenced as a result of the recent sabotage trial. The discussions of a new trade agreement will now be resumed at the point where they were broken off by the popular clamor in Great Britain when the trial took place. It may be taken for granted that these discussions will be successful and will result in a large increase in trade between the two countries. In recent years, and until Hitler came into power, Germany had played a leading role in Russia's foreign commerce, chiefly because the German government set aside a large amount of money to be used in a revolving fund to finance exports to the U.S.S.R. Despite the determination of the Russians to act realistically and not permit political hostility to interfere with

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trading in the best market, the Soviet officials cannot go on overlooking Hitler's implacable hostility to Communism and his brutal suppression of the German Marxists. If they can, the Russians will certainly transfer their business to other countries; and the action of the British and American governments is evidence that this will be possible.

WHILE the Reconstruction Finance Corporation loan to Russia seems likely to meet general approval, sharp criticisms are beginning to be heard regarding the similar but much larger loan (for $50 million) recently made to the Nanking government in China. This money is to be spent in buy-American cotton and wheat to be sent to that country. In The New Republic of July 5, we summarized the criticism made by an American committee, the Friends of the Chinese People, which argued that China does not need wheat, that if she did she could buy it more cheaply nearer home, and that best of all she could mill her own wheat and let the profit go to the Chinese peasants. David Lawrence now reports, in his daily Washington letter, strong suspicions that the cotton which is involved, to the extent of 700,000 bales, is not intended for China at all, but for Japan; that the Japanese will buy it from the Chinese for cash and use it in their mills, substituting it for American cotton which Japan would otherwise have ordered directly.

WE DO not know whether the foregoing allegations are well founded; but we feel that they are of sufficient importance to deserve investigation by the appropriate Washington agency. It is true, of course, as we have said, that the question of security for loans is at present of less importance in the Roosevelt program of loans for recovery than the necessity of creating activity and getting rid of our enormous surplus stocks. We should be reasonably sure, however, that such a loan as this one to China really accomplishes the purposes for which it is designed. It is a little disturbing to receive reports that some government officials believe it will be very difficult to find adequate projects on which to spend the government's $3,300 million set aside for public works. If Washington will only take a look at the problem of rehousing that part of the American population which now lives under disgracefully bad conditions, it will find plenty of room for the expenditure of all the money it possesses. It will find, moreover, a safe investment and one which is reasonably sure of yielding an adequate profit.

THE Russian government has entered into negotiations for the sale of the Chinese Eastern Railway to Japan, operating through its dummy state of Manchukuo. This information is in our opinion one of the best pieces of news which has come out of the Far East in a long time. If the world has learned anything in the last quarter of a century, it is that no government ought to own a railroad running through territory outside its own boundaries. Even for a Communist regime, the ownership of the C.E.R. has been fraught with peril of international complications. In the past, Russia has tried to turn over the railroad to China, but without success. Some people profess to be disappointed by the negotiations because it is felt that Russia, by dealing with Manchukuo, is condoning Japan's rape of Manchuria. What other course was possible on any realistic basis? The Nanking government is even less prepared than in the past to purchase the railroad, and could do nothing with it if she had it. The New Republic, which has long advocated recognition of Russia by the United States, on the ground that any existing government is entitled to diplomatic relations with all others, certainly would not suggest that the U.S.S.R. should continue to keep the Chinese Eastern Railway, and expose itself to the dangers implicit in that situation, merely because it disapproves of Japan's militarist adventure in Asia.

HITLER'S speech of last Sunday, threatening another sharp turn in the "national revolution" should reactionaries or any other group attempt a counter-revolutionary uprising, shows that the Chancellor appreciates the danger which threatens his regime from the nationalist quarter. The break with Hugenberg is, after all, the outgrowth of an age-long struggle between Germany's large industrial interests and its landed aristocracy. They have much in common, and were united for a time by their mutual hatred of the labor movement; but with the elimination of the latter, they have come to the parting of the ways. The industrialists demand increased exports; the Junkers desire nothing so much as the protection of domestic agriculture with high tariffs on foodstuffs, and support a policy in the direction of autarchy that is incompatible with development of Germany's foreign trade. Hitler is straddling on this issue as on so many others.

THE retirement of the leader of the "National Front" was an effort to conciliate the industrial front behind Krupp von Bohlen and Thyssen; the appointment of Darré, radical Nazi peasant leader, to the Ministry of Agriculture, and of Gottfried Feder, the original propounder of the "interest slavery" theory of the National Socialists, as Commissar to the Ministry of Commerce, was calculated to satisfy those of the followers in the rural districts who are growing restive under the increasing dominance of big business in the new regime. But Hitler knows that Hugenberg cannot be reconciled by friendly gestures. He and his Junkers will fight with the tenacity and doggedness that has held them in power for a century. The "voluntary" dissolution of the Centrist party, scheduled for the end of this week, will add to fascist difficulties. The Catholic Church will grudgingly submit to pressure for the time being, but will not acquiesce permanently unless it receives permanent concessions in the form of political power. Whether the National Socialists

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will be in a position to do this is more than questionable. The fight for supremacy has only just begun.

WE THINK it is fair to say that no intelligent, independent observer in the world any longer believes that the Communists burned the Reichstag building. On the contrary, it is now generally accepted that the Nazis set the fire themselves, as an excuse for suppressing the Communists. Another incident which seems likely to fall into the same category is the mysterious "air bombardment" of Berlin a few days ago. The Hitlerite officials solemnly assert that "enemy airplanes" flew over the city and dropped pamphlets of an insulting character, regarding the Nazi government. But American journalists in Germany have been unable to find any private citizen who saw or heard any of these airplanes, nor have they been able to get a glimpse of one of the mysterious pamphlets. A clue to the episode appears from the fact that a few hours after this great "raid" was supposed to take place, the German government announced that it must forthwith be given the right to a strong military air force in order to prevent future episodes of the same sort. It is possible, of course, that the raid really took place. If it did, the last thing civilized nations should condone would be equipping Germany with airplanes for the purpose of murdering the flyers distributing this hostile propaganda (and airplanes can be used against airplanes only for the purpose of murder). If the story is false, it becomes another example of the naïve and clumsy foreign policy of the Hitlerites.

THE United States government has signed a contract for 400,000 barrels of cement to be used at Boulder Dam; and thereby hangs a tale. As we recorded in our issue of May 17, when Mr. Ickes, Secretary of the Interior, advertised for cement some time ago, several of the leading companies all responded by asking the same price per barrel—a price, moreover, which was substantially higher than had prevailed a month or two earlier. Mr. Ickes promptly announced that he thought the government was being held up, and that if necessary Uncle Sam would go into the cement business himself in order to get a fair price, not only on the first 400,000 barrels but on 3,000,000 more which will be needed before the dam is completed. As a result of this threat, a contract has been signed at a price which will save the government $52,000 on the first order. Since the cement companies argued that their original bid was reasonable, we are puzzled to know how they excuse themselves for having reduced it under the threat of government competition. Or are they now manufacturing the cement without profit, as their contribution to the New Deal?

THE Swiss government has taken an extraordinary step in ordering the deportation of the Geneva representative of the Women's International League for Peace and Freedom. So far as we can learn, there are no charges against this lady except that she is a pacifist and the representative of a pacifist organization. Such action comes oddly from a government which has signed the Kellogg-Briand treaty for the outlawry of war and has always prided itself upon its liberal attitude. There is some reason to believe that the real objection to this lady, Mme. Camille Drevet, is that the W.I.L.P.F., which she represents, protested at the time of the frightful butchery of unarmed Swiss citizens by Swiss militia on the ninth of last November, in Geneva. As our readers may recall, youthful Swiss soldiers were sent out against a crowd, led by Socialists, which was peaceably demonstrating in the streets. Some stupid officer presumably lost his head, and the soldiers fired upon the throng, killing nine persons and wounding sixty others. The incident produced world-wide protest, which naturally made the Swiss government unhappy. The deportation order issued against Madame Drevet is apparently a belated and grossly unjust reply to that protest. It is, obviously, one which is unworthy of any civilized government, and least of all the Swiss. For if people are not to be allowed to live in Geneva and seek to bend the League of Nations toward peace, where in the world is such work to be carried on?

IT IS with somewhat mingled emotions that we report that one of The New Republic's editors has just been in jail. Robert Morss Lovett was arrested in Chicago for participating in a demonstration of strikers who had assembled in the street outside the factory where they were formerly employed. The ironic fact is that Dr. Lovett was present as a result of a direct suggestion of the Chicago Commissioner of Police, who had repeatedly suggested that members of the Chicago Civil Liberties Committee should attend demonstrations and other public events at which trouble might arise between the police and the populace. Newspaper reports of Dr. Lovett's experience, published in nearly all the Chicago newspapers and widely carried by press associations, were incorrect in nearly every particular. He did not make a speech to the strikers, nor did he repeatedly "demand his rights," as the newspapers said. When a squad of police brutally and unnecessarily charged the strikers, Dr. Lovett addressed the officer nearest to him and asked whether he might speak to him or to the person in charge. He was immediately placed under arrest, as were a number of the strikers. A jury trial has been demanded, and has not yet taken place. No one need be surprised that the Police Commissioner has now denied making his request to members of the C.C.L.C. that they be present at places where trouble was likely to occur. The only difference between this and hundreds of other similar incidents, in Chicago and throughout the United States, is that the police by inadvertence arrested among a group of strikers a man like Dr. Lovett, sufficiently well known so that the fact of his arrest became, in the technical sense of journalistic definition, news.

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# Capitalism Enters the Operating Room

THE HEARINGS on the textile code in Washington constituted a historic occasion—the first meeting in this country of an industrial legislature. There have of course been many precursors —conventions, conferences, hearings by the Federal Trade Commission and the like—but here for the first time a whole industry was assembled in public, with representatives of all interested groups, under sanction of the law, to legislate in the general interest. A code was submitted by the two great associations of employers. It was heard by an administrator and his experts, by representatives of labor, consumer and industry in general. Objections and suggestions for modification were made by special groups such as the tire-fabric group, and manufacturers of medical gauze. Labor demanded higher minimum wages and shorter maximum hours than the employers had agreed upon. Instead of being left to the play of the market, to individual bargaining and private agreement, certain fundamental matters were discussed in the view of the whole country, and will be decided for all concerned and presumably with an eye to the general interest.

Critics of economic planning, both to the left and the right, have habitually attacked its advocates because of their supposed political naïveté. Planning, these critics say, requires dictatorship. Those on the right go on to urge that dictatorship is bound to be a poor substitute for the unconscious and undirected activities of the market place, because no brain is capable of comprehending the many complex details of modern economic society. Those on the left, making the necessity of dictatorship their first premise, argue that the job of those who want real social planning is first to gain political power.

It is possible to contend, however, that these critics themselves are afflicted with political myopia. There is much more in the history of government and hence of politics than crude contests of power, and significant changes in the methods of handling human affairs are not always inaugurated by dictatorships. Moreover, intelligent social direction is never the product of one man's brain alone.

Every government is of course an expression of power, but it is also an instrument for discovering ways to satisfy social needs. The process of discovery is carried on by tapping the wills and minds of the important groups in the community. In so far as government succeeds, it resolves conflicts among these groups with such an approach to common satisfaction that the government can stand. This is just as true of dictatorships as it is of democracies. The task of economic planning is merely part of the task of economic government; politics is inseparable from its process; it is the means of translating the needs and devices of the many into a consistent policy; the political adjustment is the substitute for the impossible all-wise brain of the impossible all-powerful dictator.

Sharp contests for power are not made possible because large groups of people decide first that they want power, and then, having achieved power, decide what they want to do with it. Only psychological monstrosities want power over others for its own sake. People in general want power to live lives that appear to them satisfactory, power to keep others from preventing them from leading these lives. Contests for power always occur in a social framework which is suitable for such contests. There must be concrete issues, there must be choosing of sides on these issues, and the conquest of power must be organized about the effort to achieve definite aims. The larger emotional content of struggles for power, and the abstract ideas in which the emotion is expressed, constitute a magnetic field surrounding a very material core.

The present organization of industrial government in the United States is a response to the acute needs into which industrial anarchy has caused us to drift. It is the establishment of a political framework within which the attempt may be made to resolve the internal conflicts of a previously anarchic capitalism. It is quite legitimate to argue that these conflicts cannot be satisfactorily resolved. But it is not sensible to argue, as those on the right do, that they could be resolved better without the establishment of a framework in which they can be brought into focus in practice. Nor is it sensible to argue, as do some on the left, that the effort to bring them into focus is merely a futile substitute for, or an obstruction to, the effort to abolish capitalism by sharpening the class conflict. On the contrary, if the contradictions of capitalism cannot be resolved, if the interest of those who do not own productive property requires the abolition of the private ownership of capital, these facts ought to appear all the more clearly within the framework of an industrial government and an attempt consciously to satisfy urgent social demands. A real understanding of the nature of politics would lead one to expect that this is precisely the way a significant struggle for power would arise in an advanced capitalist economy.

The first symptoms of this sharpening of struggle have come with the very beginning of the application of the Industrial Recovery Act. The framers of the bill, and the Congress which passed it, saw clearly that no sound government of industry was possible without adequate and genuine representation of the wage earners, without the aid of labor organizations in deciding upon, administering and policing labor standards. Hence the requirement in the law that every code must contain clauses specifying "that employees shall have the right to organize and bargain collectively through representatives of their own choosing, and shall be free from the interference, restraint or coercion of employers of labor or their agents in the designation of such representatives," and "that no employee and no one

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seeking employment shall be required as a condition of employment to join any company union or to refrain from joining, organizing or assisting a labor organization of his own choosing." As far as words on paper can do it, labor is guaranteed the right to autonomous organization and representation. Unless labor, under this charter, and having in view the specific management of industry which this bill carries, seizes the power which is extended to it, unchecked capitalist control of the new government is almost a foregone conclusion. Employers who have always opposed labor are seeking to circumvent the law by new company-union devices. The A.F. of L. has already protested against this tendency in Washington. But the right place to protest is in the mill and the factory, through the voices of chosen representatives of the rank and file. Labor can hold no power, and should hold no power, which it does not validate in the field. And if certain groups of workers do not consider the A.F. of L. unions suitable organizations to represent them, they have legal liberty to choose others. The organization of labor power and the kind of use that will be made of it are thus immediately thrown into the arena of controversy in this new regime, although before it came into being, labor was almost voiceless during the worst depression in our history.

The federal government is, by the terms of the bill and by the administration set up under it, charged with the duty of protecting the general interest, and specifically that of the individual consumer. Here again politico-economic issues become sharper and more significant. Consumers are not organized in this country as labor is in its productive function. But they now have a more obvious stake in national politics than ever before. The President is their representative in the industrial government; his duty is to see that prices do not rise faster than their earnings, and that business and finance are so operated that security and welfare will steadily increase instead of being periodically subjected to dire peril. Will the present government, with its party machinery, act as their faithful and effective representative in this respect? The obligation to do so, formerly only vaguely implied, has now been definitely acknowledged. This gives content and meaning to politics, it opens the way to political conflicts about fundamental issues.

Capitalism, formerly wandering the streets like a sick and bedraggled cat, has now been brought into the laboratory for observation and treatment. Instead of watching it crawl along the back fence and debating whether it ought to be put out of its misery (though we were in no position to catch it) we now are getting it under the X-ray, are taking its pulse and blood pressure, are passing slides of its corpuscles under the microscope. The question of whether it will live or die is being submitted to the scientific test of social action. It is time for the theoreticians to get out of the books and pamphlets and into the operating room. A critical period of history is at hand.

# Utility Rates in the Slump

THOSE who wonder why public-utility charges remain largely untouched by depression may find some of the answers in the operation of constitutional doctrines of rate regulation as exhibited in the Los Angeles gas case, just decided by the United States Supreme Court. The answers are not new, but they take on fresh force in the light of the first major valuation case in the Court to reflect depression conditions.

The financial history of the Los Angeles Gas and Electric Corporation, whose gas properties were involved, is worth a preliminary glance. The company on January 1, 1930, had outstanding $47,070,000 in bonds, $19,469,995 in preferred stock, and $20 million in common stock. Since 1916 it had increased its surplus nearly $4 million, and its depreciation reserve $13 million. During the same period it had paid to the Pacific Lighting Corporation, owner of the common stock, an average cash dividend of 9.9 percent, steadily increasing from 7.2 percent in 1916, 1917, 1918 to 13.75, 15 and 17 percent, respectively, in 1927, 1928 and 1929. There were stock dividends, besides, of 25 percent in 1924 and 21.42 percent in 1927. But these handsome earnings were technically irrelevant to the question whether the company's rates could constitutionally be reduced. Under the controlling decisions of the Supreme Court the common-stock dividends could have averaged 40 or 50 percent and the company might still have been in position to attack a reduction in rates as confiscatory.

In November, 1930, however, the California Railroad Commission ordered a reduction in gas rates—calculated to effect a 9-percent decrease in gross revenue from the gas properties. The company's contention, in due course advanced, that the new rates were confiscatory, has only now been definitively rejected by a divided Supreme Court.

The Commission made two sorts of valuations of the company's gas properties for the year 1930—one of $60,704,000 on the basis of "historical cost," and the other of $65,500,000 on the basis of "fair value," an estimate which purported to take account of the cost of reproducing the property new. It fixed a rate estimated to provide a return of 7 percent on this latter valuation. The company objected to both the valuation and the return. It urged error in the omission of many items in the rate base, some more fanciful and some less so. But chiefly it contended that on the basis of "close to the average" prices prevailing from 1927 to 1929, the reproduction cost was much higher than that found by the Commission. Both before that body, early in 1930, and in the district court, in January, 1931, the company's witness solemnly testified that while there was then "a temporary slump in prices," in his opinion prices for the immediate future and "for several years to come"

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would be "on the average higher than the present level and approximately at the 1929 level." In the spring of 1933 the company had the effrontery to appear in the United States Supreme Court objecting to the Commission's order on the strength of this evidence. Chief Justice Hughes rejected the contention in his lengthy opinion.

> It is apparent [he said] that the estimates of cost of reproduction, new, of 1929, or of 1930, upon which the company relies, afforded no secure foundation for prediction of future values, and the rate base as fixed by the Commission is not to be invalidated as involving confiscation by reason of these estimates which the course of events deprived of credit as trustworthy estimates.

The Chief Justice accordingly discarded not only the company's claim but the Commission's estimate of $65,500,000, based likewise on reproduction cost but differently calculated. Building up from historical cost as the only remaining evidence of present value, he used various compensating errors of the Commission to neutralize each other so as to sustain the rate base actually allowed. The decision was reached over the dissent of Justice Butler, with whom Justice Sutherland concurred.

Certain modest gains may thus be chalked up for consumers of gas in Los Angeles. It is doubtful whether on the record presented the Court would not a few years ago have found grounds for reversal. The company was denounced for its contention that 7 percent was a confiscatory return and that depression rates could be fixed on the basis of the cost of imaginary reproduction at top-of-the-boom prices. But on the other side of the picture are the shortcomings inseparable from the rate-fixing process as now carried on—particularly in times of economic flux. Various rulings of the Commission in favor of the utility could receive no adequate consideration. The question could not be presented whether a return of less than 7 percent would not now be reasonable. Above all—on the applicable theory of the Supreme Court decisions—the rates as fixed remain far too high. More than three and a half years it has taken to get a judicial declaration that the "slump in prices" is not temporary. For nearly three and a half years the Los Angeles gas case has been pending, and it began too early for the new rates now settled to reflect more than faintly the actual extent of the slump. To establish rates that will do this the California Railroad Commission must begin all over again. Such a proceeding, as well as other proceedings already a year or more in progress, may well encounter in reverse English the doctrine now announced. If plans for inflation succeed or prices otherwise begin to rise, a Supreme Court two or three years hence may again take judicial notice of a "changed economic level" and invalidate rates fixed upon expectations of continued low prices which subsequent events have "deprived of credit as trustworthy estimates."

The central proposition in the Supreme Court's decisions on valuation for rate-making purposes is that a public utility must be allowed to earn a fair return upon the *present value* of its investment. The practical and theoretical difficulties which the effort to determine rates upon this hypothetical and constantly shifting base entails were brilliantly set forth ten years ago by Mr. Justice Brandeis in his much quoted dissent in the Southwestern Bell Telephone Case. Events have only served to substantiate his judgment. Appalling economic waste, absorption of time of courts and administrative officers by an irrelevant and impossible task, inequality of burden and benefit as between holders of common stock on the one side and preferred-stock holders and bond owners on the other, constant friction between utilities and the public—all these were apparent even in a time of rising prices. Now that the tables are reversed and it is the public's turn to benefit, the case receives its final demonstration. Public authorities lag in initiating proceedings for rate reduction where utilities were prompt in demanding increases. The process of revaluation is too expensive to be tolerated when public funds are scarce, and in any event too slow to produce results except in the most prolonged slump. The consumer who is denied the benefit from low prices to which he is theoretically entitled has the doubtful consolation that were the theory remorselessly carried out, a majority of utility properties would be forced into receivership, which would injure him even more in the end.

Whatever the economic problems of the nation whose relief is beset with uncertainty, that of public-utility rate regulation is not among them. The first step is the abolition by state and federal legislation of present doctrines of utility valuation. In consequence of Supreme Court decisions, to be sure, these doctrines are enshrined in the federal Constitution; but the first principle of constitutional law—as current events repeatedly illustrate—is that there are more ways than one of skinning a cat. To few other questions could state and federal administrations more profitably devote their attention.

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# The Push Toward Asia

MANY influential bankers and industrialists have long believed that we can hope for no permanent recovery from the depression without a great revival of our export trade. For us to become a self-contained nation, they argue, would involve impossible readjustments throughout our whole economic structure. This point of view has been strongly urged upon President Roosevelt, and was the principal reason which led him, shortly after his inauguration, to urge the prompt summoning of the London Economic Conference.

For reasons we shall discuss in a moment, however, no quick increase in our export trade with Europe, the British Dominions or South America seems at all probable. If there is to be, in the immediate future, any considerable expansion in American exports, it will have to be in exports to Asia. Whether Mr. Roosevelt as yet realizes this, may be questioned. Certainly it is well understood by many American business men and by the more responsible officials of the State Department.

At least in theory, Asia offers a market of staggering dimensions. In Asia's three great subdivisions, China, India and Soviet Russia, are approximately 1,000 million people—more than 200 million families—nearly all of whom lack the meagerest necessities of modern life. Potentially Asia is capable of absorbing the excess industrial production of the United States, and of western Europe, for many years.

It should be obvious, however, that any attempt by the United States, or by the western European powers, to force a sudden increase in trade with Asia must inevitably raise political, social and racial problems of great acuteness and magnitude. Among them will be Japan's dominance of China, India's status within, or without, the British Empire and Soviet Russia's future relationship to the European balance of power.

Under the world's present nationalistic, anarchic monetary system, there are two ways, and only two ways, by which a nation can safely bring about an expansion of exports. It can loan money to the foreigner with which to buy its goods. Or it can agree to accept the foreigner's goods and services in exchange. Sometime in 1929, we ceased making loans to Europe; about the same time, our tourist expenditures fell away, and shortly thereafter we raised up the Hawley-Smoot tariff against Europe's goods. Bingo! within a few months our exports to Europe had dropped by 50 percent and are today approaching zero.

Most financial authorities agree that the next three or four years in western Europe will be a period of abnormally cheap money, which means it is highly unlikely that we shall loan Europe any considerable amounts of fresh capital. Conceivably Germany may try to borrow in America to consolidate and refund its private external debt, and England to settle its war debt, but such transactions will provide no "new" money by which American exports might be financed. We might, of course, agree to accept Europe's goods, and in that way make possible an expansion of our exports. However—despite brave words from Secretary Hull at London—there would appear to be scant hope, in the present temper of American business, that any drastic reductions in our tariff can be achieved.

The British Dominions (other than India) and the countries of South America, as markets for increased American exports, present special and difficult problems. They are all engaged in building up home industries, and are economically nationalistic to an intense degree. In addition, they are all sparsely populated, so that their potential consuming capacity, in spite of their vast areas, is comparatively low.

All of which brings us back to our original statement that if there is to be any quick expansion of American exports, it will have to be in our exports to Asia. In China, India and Soviet Russia you have the only three considerable countries now willing and able to offer profits to foreign capital, and willing and able to absorb foreign manufactured goods.

Let us begin with the case of China. China (including Hongkong and Kwantung) today ranks sixth among our foreign customers. Moreover, about half our exports to Japan are, in fact, reëxported to China. If these reëxports are included in China's total, China, as an ultimate consumer of American products, stands third among foreign nations, and is surpassed only by England and Canada. As we shall see when we come to examine the Washington Nine Power Treaty, plans for China's exploitation on a grand scale have been held in suspense since 1922.

China today is torn by banditry, famine-ridden, incredibly poor. Nevertheless, it is possible, even probable, that with a very little financial assistance from abroad, China could be made the largest mass market for foreign goods in the world. China's most obvious lack in transportation. Whole villages in China sometimes starve, with food a few hundred miles away. Back from the seacoast, trade is virtually impossible. Transportation charges from one province to another (plus exactions en route by war lords and wandering bandits) sometimes mount up to four and five times the original cost of the merchandise. China must be able to feed itself adequately, and exchange its goods freely and efficiently, before there can be hope of a Chinese eco-

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nomic renaissance. Once these essentials were present, however, it is conceivable that material wealth in China, and with it a demand for foreign imports, might increase at a rate never before witnessed.

The equipping of China with a proper transportation system would, by itself, solve the worst of China's political difficulties. By making famine impossible, and by providing plentiful construction jobs, it would tend to wipe out the floating, unpaid soldiery of the *tuchuns*. Railroads, surfaced highways and airplane lines would likewise greatly increase the striking force of the troops and police of the central Chinese government. This would be good for the protection of foreign investments, however deplorable for the Chinese people. The Lytton Report to the League of Nations disingenuously remarks: "The problem of Communism in China is . . . linked up with the larger problem of national reconstruction."

The possibilities of China's exploitation were canvassed with great thoroughness during the 1922 Washington Naval Conference. In the Nine Power Treaty, you find set forth a new kind of "salesman's imperialism," in contrast to the old, dark, raw-materials imperialism of Africa. The Treaty begins by forbidding the Great Powers to infringe on China's territorial or administrative integrity, and seeks to stabilize the central Chinese government. One of its accompanying resolutions pledges the retrocession of all foreign settlements in China. These settlements, at Shanghai, Tientsin, Nanking and Hankow, are the richest taxing areas in China, and the only ones the central Chinese government, under present circumstances, can be sure of controlling. Their return would give the central government the increased revenues necessary to justify the granting of immediate foreign loans. A second resolution provides for the creation of a unified railway administration, and China promises to construct as rapidly as possible a national transportation system, with "such foreign financial and technical assistance as may be needed." (The equipping of China with a railroad system comparable to ours in the United States would ultimately mean about $10,000 million in orders for rails, locomotives, cars, signaling apparatus and repair shops.)

The first important move toward carrying the Nine Power Treaty into effect came in 1927, when Great Britain agreed to retrocede its concessions at Hankow and Kiukiang. Thereafter, negotiations went steadily ahead for the giving up of all other foreign concessions. Meanwhile the powers, working through T. V. Soong, their particular pet in the Kuomintang, commenced overhauling China's finances, preparatory to the granting of foreign loans through a reconstituted Chinese Consortium.

These plans have been summarily halted by the Japanese seizure of Manchuria. For more than a year, the powers have had to abandon every sort of effort toward China's unification. The Nanking regime is now wildly unstable; to conclude any agreement with China or to loan long-term money to it, under existing circumstances, is madness. This is the real quarrel of the powers with the Japanese. They have ruined business in China, not merely for themselves, but for everyone else.

It is possible that Japan, because of its shaky finances and the astonishing passive resistance offered by the Chinese, may soon have to reach a compromise with the powers, and that our business men will again have a chance to proceed with their plans for China's development. If this happens, it will be very helpful to our exports, but it will also be likely to involve us in a political situation of great danger. The present Manchurian outburst is no accident, but the result of long and fiercely held Japanese policies. Once China, with its incalculable resources of men and materials, becomes centralized and industrialized, Japan's day of dominance in eastern Asia is done. Rather than permit this, Japan's military hierarchy would gladly see its country commit corporate hara-kiri.

When in September, 1931, Japan occupied Manchuria, few people in the United States felt that important interests were being violated and there was no effective clamor for war. But if, in the near future, we invest great sums in China, and grow to think of China as a vital export market for us, and if the Japanese then again attack China (as they will at the first favorable opportunity), you will hear our business men and investors cry out in rage and hatred, and the probability of war will be not far distant.

Before we leave the case of China, there are two things which, parenthetically, should be said. The first is that no expansion of our exports to China, or anywhere else, can possibly enhance the wealth of America, as a nation, unless we are ready to accept an equivalent increase in our imports, which we obviously are not. Our exports to China will have to be continually financed by loans, and the interest and principal of these loans must be left abroad, or met by still further lending. Various business men in the United States will acquire valuable properties in China, and the small American investor will acquire fairly dubious securities. But the nation, as a nation, will benefit only by increased activity and employment in the export industries—a result which could have been achieved just as well by dumping our exports, and an equivalent amount of American savings, into the sea.

The other thing which needs to be said is that to the extent we succeed in selling locomotives and steel rails, blast furnaces, rolling mills and steam generators to China, we shall be enabling the Chinese to manufacture their own goods, and cease buying from us. The development of a vast export trade with China, in short, while it unquestionably would be of great aid in relieving the present depression, offers no permanent way out of our difficulties and no cure for America's deep-seated economic sickness.

Let us take the case of India. The exploitation

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of India on a grand scale, if it occurs, presumably will be managed by England. As far as direct trade with India is concerned, we would get the leavings, although these might easily be substantial. However, India's exploitation by England would almost certainly bring about a great increase in exports from us to England itself, and through England to India (provided, that is, we agreed to accept English-Indian securities in return), and would probably be an important stimulus to world trade everywhere.

Ever since the World War, England has vacillated between two irreconcilable policies towards India. One is the policy of Mr. Winston Churchill, according to which Indian Nationalism is to be rooted out by force and India is to remain solely a place to send younger sons, and other indigent male relatives, of the English governing classes. The other policy, of which Lord Irwin has been perhaps the most conspicuous advocate, is to concede whatever is needful to Gandhi, make an end to the present unrest and uncertainty and start ahead at once with India's economic development.

In many ways, Lord Irwin's program for India closely resembles the Nine Power Treaty program for China. The essential object of the Nine Power Treaty is to establish in China a central government which shall be strong in relation to its own citizens, well able to preserve order and protect foreign investments, but thoroughly subservient (since dependent for its existence upon foreign loans) in relation to the Great Powers. Lord Irwin, and those who believe like him, apparently wish to create from among the bankers, merchants and lawyers who throng the Indian Nationalist movement—and who are markedly less spiritual than Gandhi—a similarly complaisant government for India.

As in the case of China, the exploitation would afford no permanent way of escape from our economic troubles. But even though for the most part we had to deal through England as a middleman, it would be temporarily very helpful to our business men. Like China, India's potential capacity to absorb Western manufactures is enormous, and once India's development was begun, it is possible that wealth in India would increase rapidly.

It is worth pointing out that the negotiations now in progress between the British government and the Indian leaders are of critical importance for England's own destiny. Quite apart from its future potentialities, India is already England's largest single overseas market, and a sustained, all-embracing boycott against England by India—one like the boycott South China has maintained against Japan—would seriously affect England's international-trade balance. Continued long enough, unless England could find compensating markets, it would force perhaps one-tenth of England's population permanently on the dole. Active, armed rebellion by India, on the other hand, might quite possibly set afire the whole Orient.

Finally we come to the case of Soviet Russia. As Maxim Litvinov pointed out in his opening speech at the London Economic Conference, Russia wants, and is now in a position to take immediately, almost every sort of manufactured goods, in almost any amounts. China's and India's exploitation depends upon a solution of the Manchurian conflict, and upon peace with Gandhi, but Russia's market, after six years of frenzied preparation, today stands anointed and waiting like a Biblical bride.

The difficulty lies in arranging for Russian long-term credits. Russia must now pay on the nail for whatever it imports. Russia's ability to buy abroad is, consequently, exactly limited to its ability to sell abroad. Recently Russia's foreign purchases averaged about $400 million a year—a tidy sum, but only a fraction of what Russia would take if it could buy on credit.

There are insistent reports that Mr. Roosevelt intends to recognize Russia. Whether this would induce private American investors to loan money to Russia, however, seems extremely doubtful. Probably the only quick, certain way for us to make use of Russia's full potentialities as a market would be for the Roosevelt administration, through the Reconstruction Finance Corporation or some similar agency, to authorize a long-term loan to the Soviet government. A sufficiently big loan, say from $1,000 million to $2,000 million, with a proviso that it was to be spent in America within a specified number of months, would furnish the soundest possible stimulus to American business. Whatever might be thought of our government's chances of eventually recovering its money from Russia (something which would depend primarily upon our future willingness to permit a net increase in our imports) there is no doubt that the bonds of Soviet Russia would be at least as good as some of the collateral today deposited with the R.F.C. To expect any such decisive and sweeping action from Mr. Roosevelt, however, is probably futile.

There remains the possibility that Russia might succeed in obtaining financing from one of the Great Powers of western Europe. The Reichsbank's new president, Dr. Hjalmar Schacht, is believed to favor some sort of controlled inflation for Germany, and might very well agree to increased industrial credits for Russia. There have also been rumors of an impending Franco-Russian economic accord. Either of these developments, in theory, might indirectly be expected to aid American exports. The great danger is, however, that any rapprochement between Russia and Germany, or between Russia and France, might raise in its sharpest form the whole question of Russia's relationship to the European balance of power, and might serve to precipitate a major European political crisis. France will use every means within its power, probably including war, to prevent a renewal of the old German-Russian Rapallo accord, and Germany will never willingly permit an understanding between Russia and France.

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Two general observations may be added to this recital. The first is that the pressure from our business men upon Mr. Roosevelt to open up the markets of Asia is likely to increase steadily. As the London Economic Conference reveals more and more clearly the difficulty, if not impossibility, of an immediate revival of intra-European and American-European trade, Asia will begin to seem like a sort of business man's Promised Land, and methods for its exploitation will tend to dominate all other international political discussion.

The second is that in the present stage of world organization, or lack of organization, there would appear to be no way of reconciling the political and economic conflicts which the development of Asia is certain to engender. The equipping of Asia's 200 million families with the comforts and luxuries of machine production is, or ought to be, an essentially noble enterprise. To intrust this enterprise to a world governed by the vested interests of nationalism and capitalistic business, however, is to risk catastrophe. JONATHAN MITCHELL.

## Song

I have a handsome profile
I've been to a great public school
I've a little money invested
Then why do I feel such a fool
As if I owned a world that had had its day?

You certainly have a good reason
For feeling as you do
No wonder you are anxious
Because it's perfectly true
You own a world that has had its day.

I'll throw my money in the gutter
I'll throw it all away
I'll throw it where the workmen can pick it up
Then nobody can say
I own a world that has had its day.

The workmen will never get it
Though you throw it all over the town
The armament firms will collect it all
And use it for shooting them down
To save a world that has had its day.

I'll get a job in a factory
I'll live with working boys
I'll play them at darts in the public house
I'll share their sorrows and joys
Not live in a world that has had its day.

They won't tell you their secrets
Though you pay for their drinks in the bar
They'll tell you lies for your money
For they know you for what you are
That you live in a world that has had its day.

I'll book a berth on a liner
I'll sail away out to sea
I'll settle down on an island
Where the natives shall set me free
I'll leave a world that has had its day.

Most of the natives are dying
They've sampled your sort before
It gave them no satisfaction
They're in no mood for more
Who come from a world that has had its day.

I'll hire a furnished attic
A room on the top floor
I'll spend my mornings writing
A book that will cause a furore
About a world that has had its day.

You may be a little genius
You may be doing your best
To tell us about yours truly
But where is the interest
It's just a world that has had its day.

I'll attend when the parson is preaching
I'll tell all my sins to the priest
I'll do exactly as they ask
I'll go to heaven at least
After this world has had its day.

You may sit down under the pulpit
You may go down on your knees
But you don't believe them any more
And they won't give you ease
They're of this world that has had its day.

I'll go down to the brothel
Stick a syringe in my arm
I'll go out poaching on my own estate
Then I shall feel perfectly calm
About my world that has had its day.

It's no use turning nasty
It's no use turning good
You're what you are and nothing you do
Will get you out of the wood
You belong to your world that has had its day.

Remember you're no old soldier
Remember that you are afraid
Remember you'd be no use at all
Behind the barricade
You belong to your world that has had its day.

Your son may be a hero
Carry a great big gun
Your son may be a hero
But you will not be one
Go down with your world that has had its day.

W. H. AUDEN.

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# Roosevelt and the Radicals

ONE OF the most interesting of the many interesting things now on view in these United States is the attitude of the revolutionary radicals toward the New Deal. Broadly speaking, they don't like it. They insist that it is not really a new deal, but just the old deal thinly disguised. Some of them admit that there are now signs of recovery, but these usually take the line that this recovery was due in any case, through the normal operations of the capitalist system—if the word "normal" can be applied to such operations. (For many radicals this represents a change of view, since a year ago they insisted that this depression was unlike previous ones, could not be abated and would get progressively worse, until a revolution, peaceful or violent, would be the only way out.)

A minor, but nevertheless important, fact about the attitude of the radicals is that the Roosevelt administration has stolen most of their specific immediate grievances. The Department of Labor has stopped prosecuting alien Communists. Most of Mr. Doak's precious crew of spies have been dismissed, and the rest have been set at the innocuous task of pencil-sharpening. Mrs. Anna C. Tillinghast, the Boston immigration official whose main activity was to deport alien strike leaders, has been retired to the merciful solitude of private life. No longer will enemies of Mussolini, or any other despotic ruler, be sent back to their native countries and the danger of severe punishment. So far as the federal government's authority runs, civil liberty is a great deal more civil and libertarian than it was.

Typical of Mr. Roosevelt's skill in reducing the radicals' stock grievances was his success in dealing with the bonus army which descended upon Washington a few weeks ago. Mr. Hoover's cruel mistreatment of the veterans had sent a thrill of revulsion through the country, and the radicals had made effective use of the ammunition with which he provided them. Mr. Roosevelt on the contrary took them into camp, in the most literal sense. He gave them adequate living quarters and good food. He caused his opposition to immediate cash payment of the bonus to be explained to them carefully and sympathetically. His wife, who certainly occupies at least a semi-official position, visited the camp, inspected the quarters and talked with the men. Finally, the President arranged that 25,000 ex-soldiers should be enlisted in the Civilian Conservation Corps, and advanced to all members of the bonus army who wished it, money for carfare back to their homes. The whole affair was as much a triumph of common sense and human kindness as it was of political strategy.

While one should of course make the customary obeisance to the danger of prophecy, it is safe to predict that if the plans which are now getting under way should prove successful, still another important victory will have been won over the radical propagandists. They have made effective use of the fact that starvation wages, child labor, wretched working conditions and yellow-dog non-union contracts have been forced upon the workers in textiles, coal, steel and other industries. Yet unless the Industrial Recovery Act turns out to be an abject failure, these conditions will presently have been greatly bettered or destroyed. Already, the cotton-textile trade has offered to abolish child labor, cut hours to forty a week and guarantee minimum wages which represent a 300 or 400-percent increase over those being paid to thousands of workers. The man who will administer the new law has suggested a general countrywide minimum of $14.40 for a thirty-two-hour week in all industries and proportionately higher wages for a longer week with a maximum of working time which, it is now clear, is unlikely to exceed forty hours for anybody. In the past, the federal government has usually been in tacit alliance with the great open-shop industrialists; at the very best, it has tolerated unionism in trades where it already existed, while doing nothing to extend it to the rest of industry. Now, however, the government is definitely pledged to support the policy of collective bargaining. The Communists charge that it is favoring conservative trade unions as against their own organizations (at present extremely few and far between); but at the present moment, it seems probable that they are hollering before they are hurt. It remains to be seen whether their charge will prove true and also whether the government will be satisfied with dummy company unions which fail to give the workers anything more than a pretense of independent action.

The radicals early began, of course, to call Mr. Roosevelt a Fascist dictator, and to assert that the United States is going the way of Italy. Their argument to this effect was somewhat confused by the fact that not long ago (but before the era of the United Front) the Communists elected to describe the Socialists, or Social Democrats, as "Social Fascists." Whether Roosevelt is a Fascist depends of course upon what you mean by such a term. Certainly, he is no such thing in any sense which is understood by the great mass of the American people, and propaganda to this effect is therefore (like so much propaganda) intelligible and acceptable only to those who already agree with the propagandists. Is your test of Fascism a dictatorship? Roosevelt was elected, by an overwhelming majority, and every one of his present powers was legally

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conferred upon him by Congress. The foregoing facts also dispose of the idea of enforced minority rule, which is usually implicit in at least the first stages of a Fascist dictatorship. Another customary element is suppression of labor unions, except those dummy organizations created to carry out the Fascist plan; but anyone can see that the Roosevelt administration is sympathetic to old-fashioned trade unionism as it has existed in any liberal democratic country.

There is, indeed, one important parallel between Roosevelt's government and that, not of Mussolini or Hitler but of Stalin—a parallel which it is high time someone should point out. The American government has now adopted a policy of "intranationalism," of trying to make America prosperous first and only thereafter attempting to improve international conditions. There is a striking analogy between this decision and Stalin's acceptance of the idea of letting the world revolution go hang, for the present, while trying to make Communism a success within the borders of the U.S.S.R. Mr. Roosevelt's advisers in Washington now believe we may be forced to cut down our foreign trade to an irreducible minimum, just as influential Communists in Moscow told me, a year and a half ago, that they proposed to make Russia economically self-sufficient to the last possible degree, importing nothing which they could possibly do without. This policy, if carried out rapidly in the United States, would mean a shock and dislocation far greater than the similar one which Russia has already been through. While it does not, of course, involve such rigid regimentation of the mass of the people as does the Communist experiment, it does require more complete control than has ever been tried successfully in any other country.

So far as the great mass of the American people are concerned, there can be no question as to the relative appeal at the present time of the Roosevelt New Deal and the revolutionary proposals of the Marxists. It has often been pointed out that the Americans are incorrigible activists and pragmatists, as they are also, on the whole, imbued with a middle-class psychology which clashes badly with social theories based upon proletarian dictatorship. It is literally true that much of Mr. Roosevelt's amazing nationwide popularity is just because he did something, and not because the particular things he did seemed in advance especially desirable. Only a complete and tragic failure of his whole program within the next year or two could destroy the allegiance of the mass of the people to him. Everyone knows that if last year's national election could be repeated tomorrow, Mr. Roosevelt would receive a far greater majority than he did in November. At that time the entire vote for Socialist and Communist candidates together, and making due allowance for ballots cast for them but not counted, was only about 5 percent of Mr. Roosevelt's vote, less than 3 percent of the total vote of the country. I am inclined to think that if the election were held again, even this tiny minority would be still farther reduced. This is true, not only because of the movement toward state capitalism, if you wish to call it that, in the United States, but because of happenings abroad.

For the fact is that recent developments seem to contradict, not what Marx actually believed, but what he is supposed to have taught—the inevitable breakdown of private capitalism and the equally inevitable accession of the proletariat to power. We know today that other factors may intervene which postpone or perhaps alter this process so completely as to throw serious doubt upon the validity of the theory itself. In Germany, for example, we have seen a tremendously powerful Socialist movement and an equally strong Communist movement both fold their hands and allow themselves to be destroyed—at least for the time being—in favor of a doctrine of semi-socialized middle-class dominance. It is a grave defect of Marxism, as it is commonly interpreted, that Marx had never heard of Fascism. It also seems to me a weakness that the Marxist analysis is not yet adjusted to increased productive power per worker under technological advance, has not yet adequately considered a state of society where a minority of the population, perhaps even an insignificant minority, can turn out all the goods which the whole society requires.

Respect for truth requires me to add that the present status of the Russian experiment has been a grave setback for Marxism in America. It is quite true of course that Russia was almost the last country in the world one would have selected for the experiment of revolutionary socialism. It is also true that despite the difficulties almost unbelievable advances have been made there—greater advances than any other country has witnessed in the same length of time, or even in a much greater period. Nevertheless, the average American knows that before the Russian revolution, the Marxists promised that the application of their system would bring about Utopia, that they have been in control of the largest country in the world for more than fifteen years, and Utopia has not arrived. On the contrary, there is still a grave shortage of consumers' goods in Russia and a shortage, which has several times been a desperate one, of food. There is also a lack of individual freedom in the U.S.S.R. and despite the fact that the Communists, rationalizing their necessities, decry freedom as a bourgeois delusion, it remains true that the average American still believes it is an essential concomitant of the Utopian state.

The fact that American radicals are in such a small minority, and are fighting what seems even to themselves to be at present a hopeless battle, perhaps helps explain a fact which every observer, however sympathetic must have noticed: that the American revolutionary of today is often an individual who, because of his personal characteristics,

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seems not well suited to run a country after a revolution has taken place. The contrast between American and Russian Communists of the present time is in this respect a striking one. In Russia, as everyone who has been there knows, the Communist party has called into its ranks men of the aggressive, executive type. The Owen Youngs and Gerard Swopes of Russia are today good party men, who have pushed their way into positions of leadership by their activist abilities; while in America, Communism has appealed in the main (with some conspicuous exceptions) to theoreticians, doctrinaires whose minds are sometimes so inflexible that they have great difficulty in making rapid adjustments to changing conditions. This fact is normal and natural; men of action are always likely to seek a position in life which best permits them to act; but the average non-Communist American sees the academic character of many American revolutionary leaders and makes from it wholly unjustified inferences regarding the revolutionary doctrine itself.

This fact is all the more regrettable because there is a strong element of truth in the revolutionists' criticism of the Roosevelt New Deal as it has thus far been revealed. It is certainly not yet clear that the measures which have up to now been inaugurated are competent to do more than to patch up the worst weaknesses of private capitalism. Some of the President's advisers are prepared to go a long way on the path toward the socializing of wealth and the redistribution of income—so far, that their proposals would probably encounter the furious opposition of most capitalists and also of some others among the group of men now shaping American policy. Probably the mass of Americans are also willing to go a considerable distance toward Socialism, if only that word, with its frightening connotations, is not mentioned. But under the present set-up the process will take a good deal of time; and it is entirely possible that in the perspective of history the chief usefulness of the Roosevelt New Deal may prove to be that it has provided an interregnum for this purpose, during which the miseries of the mass of Americans will not be too unendurably acute. There is certainly, in such an interregnum, great usefulness for an active and constantly skeptical movement of the extreme Left. How far the present radical leadership in America will play a part in this development—if it takes place—depends of course upon the intelligence and realism of that leadership.

BRUCE BLIVEN.

# Detroit Paradoxes

1.

IN 1922, Henry Ford, "in collaboration with Samuel Crowther," put on record the following opinions: "It is utterly foolish for Capital or for Labor to think of themselves as groups. They are partners. When they pull and haul against each other, they simply injure the organization in which they are partners. . . . The experience of the Ford industries with the workingman has been entirely satisfactory, both in the United States and abroad. We have no antagonism to unions, but we participate in no arrangements with either employee or employer organizations. . . . A great business is really too big to be human. It grows so large as to supplant the personality of the man. In a big business, the employer, like the employee, is lost in the mass. Together they have created a great productive organization which sends out articles that the world buys, and pays for in return money that provides a livelihood for everyone in the business. The business itself becomes the big thing. There is something sacred about a big business which provides a living for hundreds and thousands of families. . . . It is not necessary for the employer to love the employee or for the employee to love the employer. What is necessary is that each should try to do justice to the other according to his deserts. That is real democracy and not the question of who ought to own the bricks and the mortar and the furnaces and the mills. And democracy has nothing to do with the question, 'Who ought to be boss?' "

2.

In February, 1932, the Communist literary magazine, The New Masses, published a scathing exposé of the career of Diego Rivera, the Mexican artist, then visiting this country. Here it was shown that, though once a member of the Central Committee of the Communist party of Mexico and head of the Workers' and Peasants' Bloc, Rivera had betrayed his cause by assuming under a bourgeois government the post of Minister of Fine Arts; that his point of view, as expressed in his art, had then unmistakably changed from Communist to bourgeois-chauvinistic—as evidenced by his substitution, in the arms of a gigantic Mexico in one of his murals, of specimens of the national fruit for the figures of a worker and a peasant which had originally been contemplated; and that he had finally been expelled from the party for political opportunism and for accepting without party permission a government appointment to the directorship of the National School of Fine Arts. When he appeared before the New York John Reed Club, he was howled out with hideous jeers. The paper of the expelled Communist faction led by Jay Lovestone was after-

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wards able to show, by publishing a photograph of the mural in Mexico City, that, instead of a woman with mangoes and grapes, it had for its summit and climax a worker pointing the way to a Communist future.

3.

On March 7, 1932, a Communist-led unemployed demonstration of some three thousand people marched on the town of Dearborn, Henry Ford's industrial citadel. At the city limits they were met by the special Dearborn police, who, pursuing under the orders of the Ford Company a policy in opposition to that of the tolerant Mayor Murphy of Detroit, threw $1,750's worth of tear-gas bombs at them. The crowd stoned the police and the police fired on the crowd, killing one man and wounding several. The chief of the Ford guard drove his car into the midst of the demonstrators, and got hit in the head with a rock—whereupon the police turned a machine-gun on the crowd and massacred three more men. The wounded were put under arrest and chained to their beds in the hospital.

4.

In the fall of 1932, just before the national election, former employees of Ford, who had been laid off the summer before, were elated to receive through the mail a communication from their former employer which they took at first for a summons back to work. The communication, however, ran as follows: "The Ford Motor Company is not interested in partisan politics. We do not seek to control any man's vote. We feel, however, that the coming election is so important to industry and employment that our employees should know our views. President Hoover has overcome the forces that almost destroyed industry and employment. His efforts to start the country back to work are beginning to show results. We are convinced that any break in his program would hurt industry and employment. To prevent times from getting worse and to help them to get better, President Hoover must be reëlected. These are our convictions and we submit them to the serious consideration of all Ford employees throughout the country and their families." The inhabitants of Dearborn responded to this appeal by voting 60 percent for Roosevelt, Foster and Thomas. In one precinct, Roosevelt and Hoover together got only one vote more than Foster and Thomas.

5.

The same year, Edsel Ford gave money to the Institute of Arts in Detroit for a set of mural paintings depicting Detroit industries; and the director engaged Rivera, who addressed himself to covering the walls of the "Italianate garden" of the Institute with gigantic Communist cartoons. Ford workers as pinched and pallid worms are seen enmeshed in the metallic entrails of conveyors; between ranks of pale sexless virgins excising the glands of animals, a bone-spectacled drug-manufacturer studies the pharmacopœia, with one hand on a system of push-buttons and the other on an adding-machine which surmounts a church-windowed radio. Creatures like infernal pigs with jointed mosquito proboscides brew poison-gas and manufacture projectiles; a Holy Family consisting of a medical Joseph, a white-halo-capped nurse-Virgin and a dough-faced Infant Jesus whom Joseph is vaccinating, rise above the manger animals, the horse, the cow and the sheep, which have piously supplied the serum, while, above, a dead-eyed biologist is vivisecting a dog. From a higher level the room is dominated by four reclining female Titans, black, red, white and yellow, who represent the four chief raw materials: coal, iron-ore, limestone and sand; in the background, the hands of hidden masses—grasping fingers and menacing fists—reach up, huger still, from behind a wall. Edsel Ford, with popping eyes, looks on scared.

When the frescoes were nearing completion, the conviction began to sting the Detroiters that something was being put over on them. The clergymen became indignant over the clinical Holy Family and they mistrusted the ecclesiastical radio. The Detroit News denounced the motor panel as "a slander to Detroit workingmen" and suggested wiping the whole thing out. A united front of 12,000 workers notified the mayor of Detroit that if an attempt was made to destroy it, they would defend it. When young Ford had to go with his Arts Commission budget before the Detroit City Council, one of its members characterized the murals as a "travesty on the spirit of Detroit . . . and Mr. Ford's factories. . . . There is not a man there with a pleasant look or a smile. . . . The anatomical exhibition," he added, "can't be sent through the mails." Edsel Ford did not try to reply; but, when interviewed afterwards by the newspapers, he came to Rivera's defense. "I admire Mr. Rivera's spirit," he said. "I really believe he was trying to express his idea of the spirit of Detroit."

So both from above and from below the disintegrating rays of Marxist thought prick the numb and flabby tissue of Detroit. Rivera, rejected by the Communist party, remains one of the most powerful prophets of Communism; he moves across America like a dark amorphous cloud from which an accurate hand emerges and brushes terror-striking pictures onto the walls of public buildings. Rivera leaves his message for the imagination; from the ground, other hands deal body-blows.

In Detroit, you can see what the Red-baiters are so reluctant to believe exists: 100-percent American Communists. Take the Reynolds family, for example. It is curious and instructive to see these Middle Western Yankees locked in the Communist system and functioning as part of it with telling effect. There are ten children. They come from

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the country, from a farm near Saginaw Bay. The father was a member of a radical carpenters' union and used to bring home "The Appeal to Reason"—he took part in the first demonstration for the eight-hour day. The most prominent of the children is Bill, or Bud, Reynolds—a little clean-cut blond man of thirty-eight with the eye-glasses of a school-teacher and a limpid and serious gaze. He has been a gear-finisher and a carpenter. In 1915, he was one of the left-wingers who resigned from the Socialist party. He was a Wobbly for a while and got into trouble on account of it at Ford's. He became a Communist in 1920 and as president of the local carpenters' union proved so damaging to the prestige of Hutcheson, the "tsar" of the United Carpenters' and Joiners' Brotherhoods, that Hutcheson found it necessary to expel him against the votes of Reynolds's own fellow-members and even to get out an injunction and the police to prevent him from attending union meetings.

Recently Reynolds and his brothers and his brother-in-law have succeeded in maintaining in Lincoln Park, an industrial suburb of Detroit, inhabited largely by Ford workers and permeated by Ford spies, a position of local influence exceptional for American Communists. The Reynoldses have revolutionary ancestors and a spirit of independence not industrial. Bill Reynolds is one of the very few Communist speakers who bases his appeal on the American tradition, reviewing American history and making it culminate logically in Communism. He and his comrades have been able to balk evictions, to get schoolhouses for Communist Unemployed Council meetings and even to poll impressive votes running for office on the Communist ticket.

Two years ago, for example, an ex-soldier who had had both legs broken in the War, was being evicted with his three children from a house on which he had already paid 50 percent, by the richest man in Lincoln Park, a pillar of the Catholic Church and the owner of a private swimming-pool. The Reynoldses went to the rescue and succeeded in moving the family back, in the teeth of the police and the sheriff. Bud Reynolds's kid brother was arrested, handcuffed, slugged and charged with rioting; but Bud raised such an angry agitation that the Town Council was forced to drop the charges. The head of the American Legion came to a meeting where the matter was being debated and tried to call Reynolds's Americanism in question. Reynolds asked whether it was the American government who paid the Lincoln Park police to attack the American workers? The Legion man appealed to the audience: he said that he had been in the War and that they had been in the War, whereas Reynolds had refused to go but had instead been conspiring with the Soviets. He stretched out his hands and cried, "Comrades!," and the people threw him out. They did the same thing with a former Ford foreman who had become a director of Welfare, and it was decided to challenge the mayor to a debate on the issues of American rights involved. (The Legion has since taken its revenge: last fall it sent two hundred of its members to beat up Bud Reynolds's brother-in-law, breaking his teeth and clubbing him on the base of the skull, in the Chamber of the Board of Education.)

It was Reynolds who got most of the blame for staging the booing of Hoover last summer, when Hoover came to Detroit in his campaign. He was arrested and put in jail, but was soon released. And the newspapers published his picture after the demonstration that provoked the Ford massacre, with the demand that he be arrested and charged with murder. Later, however, the bankers, terrified by the possibility of arousing the workless and foodless masses, held a conference with representatives of the newspapers, with the result that the papers all came out next day with editorials declaring that it was impossible to justify the shooting down of hungry workers. It was Reynolds who was chosen last December to confront the flustered Curtis as spokesman for the Washington Hunger March.

And the Communist faith, in a striking way, is dominating the life of the whole family. Even one of the brothers who was not a Communist but a highly paid Ford engineer, sent about to instruct branch managers in the building of the new Ford model and entrusted with the complete organization of the new Ford branch in Buffalo, lost his job when his brother Bill ran as Communist candidate for mayor of Lincoln Park. It is strange for the visitor from New York to see the Michigan-bred Communist household in which the grandmother, once herself an active radical, gives her moral support to the rest and where the more zealous members of the family complain that the youngest boy and girl seem to be thinking more about hitch-hiking to the Coast next summer than about working for the Young Communists' League.

The force of a Rivera or a Reynolds in Detroit is that of moral and intellectual conviction piercing the flaccid bewilderment of a rootless and planless community which never had any basis in anything but the boom in the motor industry and which, the boom deflated, has nothing.

Intellectual and moral conviction, with the needs of the automobile workers to back it. The Communist-led Auto Workers' Union had been destroyed in 1925 as the result of a strike at Fisher Bodies; but since the slump it has been revived, and last January when a general policy of wage-reductions was inaugurated at Briggs Bodies by a 15-percent cut at one of the plants, the Auto Workers' Union elected shop committees and decided on and carried through a walk-out. They picketed the plant and succeeded in getting the cut rescinded: the first victory for Detroit strikers since 1920.

During the strike, the tool and die-makers in other factories refused to accept work transferred from Briggs. And the success of the Briggs workers became a signal for a general wave of strikes against wage cuts or low wages, which by the middle of

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February had involved thousands of workers, extending even to the Briggs plant in England, and which had compelled every motor company in Detroit, with the single exception of Ford's (still "too big to be human"?) either to withdraw wage cuts or raise wages. EDMUND WILSON.

# Washington Notes

*Getting Their Signals Crossed—Reforming the Banking Bill—The Scramble for Jobs—Vacancies on the Bench*

I DO NOT suppose we will ever get the full details, but it certainly would be interesting to know exactly what were the events which led up to the recent announcement that Mr. B. M. Baruch had been asked by the President to act as his economic adviser in Washington during the London Conference. The announcement did not come from the President, who was away on his vacation, but from Professor Moley, who gave it out to the "newspaper boys" just before he left for the Conference, accompanied by the shrinking Mr. Swope. Simultaneously, Mr. Baruch appeared in Washington and spent the following two days there. Without title, office or credentials, it seemed such an unusual sort of procedure that it filled numerous columns in the press.

Stories of Mr. Baruch as "Acting President" went out over the wires and all kinds of people here, including job-hunters, rushed to get in touch with him. A large amount of publicity resulted, not all of it favorable. Mr. Baruch stood it until the week-end, then left for New York and did not return for ten days. In the meantime, from sources "close to the President," word came that the whole business had been a mistake, that Mr. Roosevelt had not intended to designate Mr. Baruch or anyone else to look after his job while he was away. Further, it was intimated, the President was somewhat nettled at the position in which he had been placed, and was even inclined to think that sending Professor Moley to London was itself an error of judgment. Certainly the sort of publicity that flowed from the Moley-Swope-Baruch arrangement was not foreseen by the President, and there is pretty good authority for stating that he did not relish it. The fact is, the whole business has a strange flavor and everybody in authority seems disposed to back away from it. Just what it was all about and how it happened would be interesting to know, but probably it won't be. Anyhow, it is not very important now that we are assured the advertisements were misleading.

Of much more significance is the fact that the real presidential advisers are preparing a supplemental program, which the administration will urge at the next session. One feature of this program will be an expansion of the Securities law enacted last session. However well this law may have been drawn originally, by the time Congress got through with it, almost the only vital thing remaining was the publicity requirement.

A tremendous lot of high-class lobbying was done against the bill, and there seemed little in the way of effective argument presented in its behalf. The net result was that the banking and brokerage firms represented here at the time pretty successfully emasculated the measure. I am told that the President was much disappointed. He wanted to go much farther and, if he has any luck, will go farther next session. There will, I think, be an early introduction of a new administration securities bill, in which the issuance, sale and promotion of securities of all kinds will be subjected to rigid governmental regulation on the theory of protecting the investing public.

A second proposal, which it is expected will be urged upon the next Congress by the White House, is a real transportation act. The railroad bill put through last time is regarded as inadequate and temporary. It is a step in the right direction but does not go far enough. It is the administration's idea to obtain a law which will enable the government to supervise and regulate all forms of transportation—railroads, highways, waterways and air. In this way, and this way only, it is contended, can the transportation problem be dealt with intelligently and satisfactorily. It seems to me a wholly sound argument. More important, however, than either securities or transportation is the acknowledged fact that the administration is dissatisfied with the Glass-Steagall banking law and will present a much wider, sounder and more comprehensive bill early in the next session. It is no secret that the "Brain Trust" is already at work on the draft.

Neither is it a secret that the administration was not in favor of the bill in the last days of the session. What pushed it through was the sentiment in Congress for a deposit guarantee, and not administration pressure. By men "close to the President" it is regarded as a half-baked and utterly inadequate effort to solve one of the greatest of our problems. Their idea is the enactment of a bill next session that will supersede the Glass-Steagall Act altogether. They want a genuine national system into which all private banks and state banks will be absorbed. Further, they want bank stock taken off the market and lodged, either by ownership or in some other way, in the hands of the twelve Federal Reserve Banks. Moreover, they want it made impossible for a banker to engage in any sort of outside business activity, or have any outside interest in other businesses. In brief, they want to make a banker be a banker.

These are but a few of the points it is proposed to cover in the new law. The main thing is that the Glass-Steagall Act does not represent the administration and was acquiesced in only on the ground of expediency. If I am any judge, the gentlemen who will have most to do with the preparation of the new bill are very earnest, very determined and quite competent. Something real, I think, may be looked for from their summer labors.

In the meantime, the problem of the job-hunters is the most troublesome with which our new rulers have to cope. No such rush has ever been heard of before, and the utter inability to meet the demand appalls those who have to stand up under it. The lack of wisdom revealed by the supposedly astute Mr. Farley in making those rash promises is becoming terribly apparent. He raised hopes impossible to realize. Both the members of the Cabinet and the administrators of the new departments created by the Roosevelt program are under terrific strain to prevent a disastrous surrender. Soon, it is said, a real distribution is to be made.

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Mr. Farley has prepared a huge list, which awaits only the approval of the President upon his return from his vacation. A few days after that the small postmasterships are to be filled, and as many Republicans as can be pried out of other positions will be replaced.

It is a dreadful thing—this business of patronage. It makes more enemies than it does friends. It blocks and interferes with efficient administration. It harasses and worries men who ought to be free to devote all their energies to their jobs. It is an enormous burden upon the President, saps his vigor and wastes his time. Yet, under our system, there is no way out of it. The big pressure, of course, is for the smaller positions. It is in them that the politicians are really interested. Strange though it seems, the larger the post the smaller the demand. Senators and members of the House are deviled to death by thousands of men who want to get into clerical positions under the Industrial Director, the Farm Administrator and the home-mortgage-relief organization. For the major positions they often have no candidates at all.

Speaking of major positions outside the field of practical politics, there has recently been some discussion of prospective changes in the Supreme Court. Considering the age and general health of some of the members, it seems reasonable to believe that in the course of the next year Mr. Roosevelt will have at least two, probably three, and possibly four appointments to make. In view of the fact that the Court unquestionably will have to pass upon the constitutionality of a considerable part of the New Deal program, the importance of new Justices can hardly be exaggerated. It is interesting that in anticipation of the coming vacancies, the names of two United States Senators are the only ones mentioned. One is "Joe" Robinson of Arkansas; the other Hiram Johnson of California. In certain hard-boiled circles odds are offered that neither will land, but it is an even-money bet that one will. It is also even money as to which one it is.

Washington. T. R. B.

# Other People's Money

*How Physician Kahn Healed Himself—That Bedside Manner—Serving Two Masters—Colonel Howe Takes to the Air*

OTTO H. KAHN told the Senate Investigating Committee that bankers were like doctors to sick railroads. In the hands of physicians like this railways have a way of getting sick whether or not they are ill when they send for the doctor. One eminent patient of Doctor Kahn was the Chicago, Milwaukee and St. Paul Railroad. And the Interstate Commerce Commission has expressed itself officially on what it thought of the good doctor's services.

Dr. Kahn sold $48 million of bonds for the St. Paul to French investors, payable in fifteen years. Five years later the French were at war and wanted their money. The French went to Dr. Kahn and suggested that the railroad reacquire the bonds. Ultimately the railroad agreed to do that. The road had paid the doctor some $883,000 to sell the original bonds. Now the doctor proposed that the road put out a new issue at the same interest to pay off $35 million of the old bonds which might be reacquired. For this new bond issue the gentle doctor charged the road 5 percent (the fee was less than 2 percent on the original French issue). That meant another neat $1,750,000 for the Doc from his—at the time—healthy patient. But the patient was weakening. It was losing blood terribly as the good doctor and his allied specialists worked over it. Doctor Percy Rockefeller and the late Doctor John D. Ryan were on that case. It seems there were too many blood transfusions. Somehow the blood got to running the wrong way—out of the patient and into the doctors.

But let us get back to Doctor Kahn and the French bonds. The doctor told the railroad that he could save it some money by buying back these French bonds at a discount. Of course, the bankers would have to find those French bonds, hunt around for them, reacquire them at a great risk to themselves. However, all the hunting around the doctor had to do was to walk across the street to J. P. Morgan and Company, where $26 million of the French bonds were resting, waiting to be "found." Another $3 millions' worth was around the corner. The bankers bought these bonds at a discount and divided the profit with the railroad. The "doctors" got $1,800,000 for their share.

Animadverting on this, the Interstate Commerce Commission said:

> The transaction, in view of all the circumstances, is obviously inconsistent with the relationship which is supposed to exist between a railroad and its regular bankers. . . . The relationship is defended on the ground that in it Kuhn, Loeb and Company were not acting as the bankers for the St. Paul. That is exactly the point. They had acted as bankers for the St. Paul as far back as 1880; since 1909 they and the National City Bank had exclusively handled vast sums for the St. Paul; yet at this opportunity to render the St. Paul an important banking service the relation was suspended and profits greater than regular banking profits were received.

This is but one incident in the story of the progress of a great husky railroad giant like the St. Paul from health to the hospital. What the bankers did to it and to the bondholders and stockholders when the road got into the hospital is a delightful chapter in corporation hygiene and anyone interested in reading that story will find it vividly and simply set forth in Max Lowenthal's "The Investor Pays."

While we are on this subject, we may indulge in a little innocent wondering as to what these bankers do to and for corporations when they serve on the boards of directors of those corporations. Do they think about the health of the corporations? Or are they merely looking out for their own interests while they are supposed to be serving the corporations? What, for instance, does a Morgan partner who is on the directorate of a bank, do for the bank? Is he looking out for the bank or for the Morgans? As it happens, the great J. P. Morgan (the elder) himself once answered that question under oath. In the Pujo Money Trust hearings, Samuel Untermyer questioned Morgan as follows:

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Untermyer: Why do two and sometimes three members of your firm go on the board [of a bank]?

Morgan: Because we have a large interest to protect.

Untermyer: In the protection of that interest do you not look after the banks at all?

Morgan: Not to any extent.

Which leads again to an inquiry I like to keep on making. Can a man intelligently—to say nothing of honestly—serve two masters? And if he cannot—as all experience teaches—why is he permitted to attempt it, particularly when he is paid so highly for his services to one? Another great banker, James Stillman, president of the National City, gave his opinion on this point in a peculiarly effective way. Many of the great banks in New York lend money to stockbrokers. They have representatives at what is called the "money crowd" in the Exchange. The representative of the National City in those days was W. C. Turner, a well known broker. Most of these bank representatives on the Exchange represented two or three banks. They represented a number of borrowers as well. But Turner announced to the Pujo Committee that he represented the National City alone and that he represented no borrowers. "Mr. Stillman," he explained, "sent for me and said, 'Mr. Turner, we would like to have you lend money for us in the Exchange. You can lend money for us; or you can lend money for someone else. But you cannot lend money for us and for someone else at the same time.' *Mr. Stillman was a great believer in an undivided interest on the part of anyone representing him.*"

President Roosevelt, in a generous moment during his campaign, said he would welcome advice from anyone at any time, when elected. So I am taking him at his word. I offer some advice, but only on a subject on which I can qualify as an expert—in the field of news and publicity. Colonel Louis Howe, secretary to the President, has gone into the business of covering the White House for the radio. The President has enjoyed great good will from the newspaper correspondents in Washington. These men hated Hoover as cordially as Hoover hated them. Hoover insulted them frequently. They like Roosevelt and that is an immense asset. The question arises—why throw it away? One of the chief sources of news about the White House is the President himself and then his secretary. But if the secretary goes into the news business himself, starts out to sell the news to the radio instead of handing it out free to the correspondents, goes into competition with the correspondents, we need not be surprised if we find him each week saving out some little scoops for himself. If the President hired the Washington correspondent of The New York Times as his secretary and that gentleman continued to represent The Times and print little scoops in The Times, every newspaper man in Washington would be indignant. And they are indignant over Howe's covering the White House for a radio-tube manufacturer. I wish to advise the President to jerk the Colonel off the air before he does any more harm to his own (the President's) good relations with the press. The Colonel has a job as secretary to the President. That is enough. If he wants to hold two or three or more jobs at the same time, let him be a banker.

JOHN T. FLYNN.

# Age Cannot Quite Wither

*Fanny Kemble, by Leota S. Driver. Chapel Hill: The University of North Carolina Press. 271 pages. $3.*

FANNY KEMBLE was the last of the historic Kembles, the daughter and granddaughter and great-granddaughter of almost everybody on the English stage; and from one side combined a tinge of English Catholicism with the Empress Maria Theresa as a godmother and a taste for the grandeur of the Alps—her mother was a farmer's daughter of Berne—from the other. To these were added the Kemble voice, the Gallic and Irish flexibility, independence and glow, and the spurs of adversity. Fanny Kemble was born, therefore, on to the stage. She hated the profession of acting, and it was rather into her life and her mind that the theatricality of it passed. She became in time a poet, novelist, dramatist, musician, actress, critic and dramatic reader, as well as a social observer and rare traveler. But what counted finally, it has always seemed to me, was her personality, the flash and go of her, and the integrity of her impetuous convictions. What she found wrong was indeed wrong to her, and remained so. If she turned from the stage in dislike, the theatre avenged itself upon her; for she impersonated her own convictions and perpetually cast herself in the role of causes and other people's lives. She was one of those people who fling themselves into high hopes, sure that some circumstance will be righted, and are then disappointed that it is not. She had a high and honest pride and a strong will; and for justice she had a passion that, if it did not always find things ultimately making sense, at least gave balance to her impetuosity of conviction.

She was, we are told in Miss Driver's compact preface, "forever changing and still forever constant, 'like a handsome piece of changeable silk; first one color, then another, but always the clean thing!'" We might alter the figure, perhaps, and say that though she had many currents, many tides, storms and sea-changes, she was yet, like the ocean, clear, single, the same and plenty of it: people like that. If I had sat in her presence, under the spell of that voice, those magnificent dark eyes and that delicate and histrionic nose that Rothermel painted one way and Sully—convincing us of every sitter's beauty—painted another, more in the Romney tradition, I should doubtless have come more into the circle of Fanny Kemble. Otherwise she belongs, for me at least, to that class of people who are a little tiresome to think about. Their persuasion, causes and sweep are more happily exerted in the flesh, with their breathing charm; and death with its finality, not alone of the body but of after-logic, tires me with the memory of them. "All that gods work is effortless and calm" is a theme that dimness and distance forces us to apply to people like Fanny Kemble after they are dead so long; her tumults and lively adherences and sure judgments need her voice and bright presence to establish her full virtue. Or so I at least find her, despite recurring volumes on her name.

As a child of six Fanny was sent to school at Madame Faudier's in Boulogne, where she spoke French and studied music, dancing and Italian. In the meantime she had seen her aunt, the great Mrs. Siddons, return to the stage for one night as Lady Randolph, to thunders of applause. At school she astonished the French schoolmistress by walking

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on the roof, was imprisoned in a dark cellar, where she "suffered from every form of terror," told fairy tales in the valley and to the great carved stones, wandered on the dunes, and at the end of the two years was awarded prizes. At the age of twenty-three, coming with her father, she repeated in America the successes she had won on the London stage. The Kembles' style departed from the "stamp-and-stare and start-and-scream school of acting" and made an approach that was more intellectual. Fanny Kemble's "faults were those of the Kemble school: a monotonous delivery of elaborate passages, a failure at times to give force to striking lines, and the assumption of a stately manner for an ordinary remark." But within two weeks they had drawn to the theatre a kind of person not accustomed to its doors, serious people, people of cultivation, writers, even divines. She underwent the usual English shocks that were felt toward Americans during all her epoch. Americans were all the bad things said of them; but she observed that they were kinder to animals than was the case in London streets. Then she found Philadelphia and preferred it to New York. Financially the success of the Kembles' American engagement was admitted to be gratifying, an English reaction still not unfamiliar.

Two years later Fanny Kemble married Pierce Butler at Christ Church in Philadelphia. He was a gentleman of birth, high in Philadelphia society, rich from his Southern plantations. In six months, by the time she finally refused to abandon the publication of her impressions of America and so desert her ideas of woman's free sphere, husband and wife knew that they were incompatible. She published, reviewers jibed; Mr. Butler thought it all very vulgar. She put theories into practice on the estate outside Philadelphia, which she preferred to call the farm; the natives repulsed and misunderstood her. She had theories of her own, sincerely and bravely undertaken, about Providence, Christ, travel, Mr. Butler and finally about his Southern plantation, to which she was determined, after his past refusals, to accompany him, for she wished to see conditions there. She had always hated slavery, coming of this Anglo-Saxon race of ours that as surely as it can produce those who will exploit and grow rich, will follow with those who cry out the sin of it, as is shown with regard to slavery, the industrial revolution and India. The Butler plantation on a Georgia island was of that darker aspect of Negro slavery, the absent landlord, overseer system, as contrasted with the domestic slavery, which was quite another matter. Pierce Butler's independent wife found the plight of his slaves more horrible than could have been hoped for, and what she wrote of the housing, the ills and the shame of it was meat and drink to the Abolitionists and destined to be quoted through later generations. Her response to the plantations showed her humanity and kindness and energy; and her writings her impetuous and declamatory gifts. It was soon clear that she would take a hand with Butler's Island. "Unrighteous laws are made to be broken," she said, and spoke of the whites' "habitual tone of command." As for her husband, for all his great wealth, "I hope this sojourn among Mr. ——'s slaves will not lessen my respect for him, but I fear it." Her fears were justified. What she had thus confided to her journal, she later confided, with many subsequent grievances, including infidelity, which she first divined by breaking the seal of two antiquated letters, to other friends. At any rate, while Mr. Butler kept silent, society was eloquent over the treatment his wife endured. They separated. The disagreements with regard to the children convinced their mother that their welfare was about to be impaired. Leaving them behind, she sailed for England, on means supplied by a friend.

Miss Driver's account of Fanny Kemble's later years in England and America is admirable, all the readings, so admired, the distinguished friends, the writings, the thoughts and theories and causes, the magnetism and vigor, not to speak of those teeming judgments on all things from the change in English servants since her day to the "marble mirrors, bad smells, magnificence and—bed-bugs" in Italy. She excused herself for not receiving one of her callers, "I could not see so many people as you are when I had a headache." If she could choose the circumstances of her end, she said, she would prefer a broken neck sustained from a backward fall from her horse while he raced at a full gallop. There are a good many words in that sentence and there were a good many in her life, I fear. But she had her desire, and died without warning, on Sunday, January 15, 1893.

The biographer's estimates of Fanny Kemble's writings are excellent. Without overvaluing these productions, these estimates imply that, as is so often the case, for art's sake, the friends' sake, the person's sake and sincerity's sake, we could wish the great person had been a great artist. These estimates are thus properly sympathetic without being soft. The whole study of this voluminous woman is well based, the cultural connotations secure, and the forward movement of the history well contrived.

STARK YOUNG.

# CORRESPONDENCE

## Douglasism

SIR: So Mr. Geoffrey Biddulph [The New Republic, April 19] has shifted his area of argument from England to United States. . . . It is hardly reasonable to conduct an argument on the technical and theoretical aspects of a proposition with which the majority of the readers are entirely unfamiliar and in which they have no interest.

Sarcasm and exclamation marks are a sorry substitute for logic. Seeing that in the lengthy period that the Social Credit analysis has been advanced no one has been able to put forward any clear refutation, it remains the only alternative explanation to the orthodox Socialist analysis. Either (1) there is enough money in the pockets of consumers to buy the whole product of industry at prices which will repay the producers, but the trouble is caused by some people having too much of this money and others not having enough, or (2) there is not enough money to buy the whole product of industry taking the total income of rich and poor. You can take your choice of these two sides. You can let your heart dictate and with a superficial survey of conditions you will accept the first proposition and thenceforth remain in a state of indignation with individuals, or you can use your head and by careful investigation see how industry works in 1933 (not how it worked in Adam Smith's day) and how, owing to a flaw in the financial system, it is impossible for consumers to buy all that is made. If you do this you will accept the second proposition, which is part of Social Credit theory. Acceptance of this will clarify the issue and you will see that it is policy and not administration which is the vital point. . . .

I should like to advise readers of The New Republic not to be

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steered away from the investigation of any subject by epithets such as "precious scheme," "absurd" and "hopeless confusion." It may be the reaction of an orthodox economist, but the average individual, looking on conditions in the world today, will be more likely to use such language in describing these world conditions, for what is more "absurd" than that we should suffer a scarcity of things with abundance all around us; where can you find more "hopeless confusion" than in the published views of orthodox economists; and where are there such "precious schemes" as those which seek to make a country richer by taking money from one pocket and putting it in another? If Social Credit is wrong, it is rather strange that every angle of world conditions should not only coincide with Social Credit explanations but should fulfil prophecies made years ago by Social Credit writers.

C. V. KERSLAKE,
The Douglas Credit League of Canada.

Toronto, Ont.

## New Grounds for Divorce

SIR: For your edification, digestion and delight, I am sending you the following decision by Justice May, of the New York State Supreme Court, appearing in The New York Law Journal of May 19, 1933, on page 3036:

> Pickert vs. Pickert—I am convinced that the plaintiff has told a truthful story and that the defendant deceived her into believing that he was a citizen of the United States and that he believed in its form of government. It now appears that he was never admitted to citizenship and that he is in sympathy with Communism. *It is unnecessary to pass upon the other proof* which was submitted, for it is sufficient that a patriotic American woman, as is the plaintiff, would never have married the defendant but for the fraud he practised upon her. Judgment for the plaintiff.

And I had it impressed upon me by my school teachers that the American patriot's blood was Red.

A READER.

New York City.

## Terrorizing the Teachers

SIR: The Board of Education of New York City is carrying out a policy of victimization of teachers who have taken the lead in the fight on educational retrenchment. The most prominent cases at present are those of Messrs. Blumberg, Begun and Mrs. Buroughs. On May 24 Mr. Isidore Blumberg, chairman of the Teachers' Committee to Protect Salaries, was discharged on alleged grounds of incompetency, after he had been rated "satisfactory" for several terms. Mr. Blumberg's real offense was that his organization predicted that Governor Roosevelt would call a special session of the New York State Legislature to reduce teachers' salaries. Although the prediction was fulfilled, Mr. Blumberg was given a punitive transfer. . . . Mr. Blumberg was denied an open trial. On May 24, when the dismissal came up before the Board of Education, a request made jointly by his attorney, a representative of the Civil Liberties Union and interested teachers and parents was rejected.

Among those who protested against the arbitrary and undemocratic procedure were Mr. Isidore Begun and Mrs. Williana Burroughs. Dr. Ryan, president of the Board, called on the police to clear the room, thus causing a disturbance. Mr. Begun and Mrs. Burroughs were suspended, brought up on charges of conduct unbecoming a teacher and dismissed. Although the evidence adduced at the hearing before the Board clearly refutes the charges, the questioning by the committee showed a consistent bias. Despite the existence in New York City of tenure laws that are supposed to protect them, these teachers are being punished for their leadership in the campaign against retrenchment in education. Mr. Begun and Mrs. Burroughs have been active in such organizations as the Teachers' Union, the Unemployed Teachers' Association and various Parent-Teacher organizations.

All teachers, parents and citizens who are interested in maintaining the achievements of modern education and preserving the rights of teachers to defend their interests should call for the reinstatement of Blumberg and the exoneration of Begun and Mrs. Burroughs. The Committee can be reached at 1245 Grandview Place, New York City.

BLUMENBERG-BEGUN-BURROUGHS DEFENSE COMMITTEE, by W. HARTMAN.

New York City.

## Electing College Presidents

SIR: Mr. Laski's suggestion that the faculties of American universities should have a voice in the selection of university presidents is not likely to shake the world of higher education. It is doubtful if the august corporations of worldly men who now name university executives will voluntarily surrender any portion of their authority or complicate the already difficult problem of satisfying everybody by stretching the definition of everybody to include mere teachers. . . .

But even were Mr. Laski's suggestion taken up by the financial wizards and industrial magicians, who in these days have not much left but their control of Yale, Harvard and Princeton, we should still have the long suspense as to who the incoming president would be; we should still have the open warfare between backers of rival candidates, the frantic wire and hair-pulling; the last-minute compromise on a healthy man with no enemies; the disgust of the losers. These must accompany any method of choosing a university president by consulting the wishes of varied interests.

There is, however, a simple way out. It is the neat expedient of identifying the oldest living alumnus with the presidency. By a gentleman's agreement Yale, Harvard and Princeton could end once and for all the wasteful strife and delay over choosing new presidents. They would agree that the next vacancy that occurs will be filled with the oldest living alumnus of the university concerned.

This would solve many problems. It would keep the culture of each institution pure by giving it conservative touch not merely with the immediate, but with the more distant, past. If the oldest living alumnus were a hundred (as he usually is) he would have lively recollections of Yale in the decade before the Civil War —recollections which would make Professor William Lyon Phelps' recent description of the Yale of fifty years ago read like sophomoric gush.

The oldest living alumnus as president would perform the primary function of raising money by begging from the alumni with great effectiveness. He could address all the tens of thousands of his juniors by their first names, and start the tears a-rolling for endowment, sinking funds and bigger bowls, with the feeling that only an oldest living alumnus can know.

If it be objected that nonagenarians are unfit for the strenuous career of university president, it may be rejoined that only last year Mr. Laski was himself complaining that American university presidents are too powerful. If they cannot be checked constitutionally in the legal sense, let them, before assuming the purple, be weakened constitutionally, in the physical sense.

And finally, this simple plan of naming the presidents of our three class universities on the basis of age would inaugurate a pleasant competition to discover whether the men of Yale, Harvard or Princeton have the greatest survival value in the modern world.

T. P. B.

New Haven, Conn.

## A Plea for Stamped Scrip

SIR: In presenting his objections to the issuance of fiat money by the government, Mr. John Chamberlain, in his article in The New Republic of May 3, says: "It would be senseless to issue fiat money as long as the government credit is good." Which is another way of saying that whenever money is to be spent by the government or bonds are to be redeemed, even at a time when there is a recognized need for the depreciation of the value of the currency as over against commodities, someone should be allowed to add said amount to his investments and draw interest on a

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loan, thereby increasing the debt burden of the government. Furthermore, as long as the government's credit is sound and other uses of accumulated capital are less certain, the investing community will stand aside and wait for a new issue of governments, thus refusing to look into business possibilities.

Mr. Chamberlain's chief objection to fiat money: It is not the amount of paper, but its rate of circulation, that counts. With this point of view we are in complete accord. In the light of this observation he raises the question of Professor Irving Fisher's dated-scrip proposal but finds that "the banks, as a matter of fact, would pay most of the tax. For, as stamp day approached, there would be a rush to deposit scrip, and the banks would get rid of deposited money only by stamping it."

I could almost believe that I have read every reference to this type of currency printed in the regular journals and can say that no serious advocate of the plan has suggested that such dated stamped scrip should be used as the basis for deposit accounts. Quite the contrary, it is the very antithesis of savings. Personally, I am convinced that its freedom from the banking system is the most likely reason why one hears so little of it as a means of meeting the present emergency.

Dismissing the banks from consideration, and therewith the only objection offered by Mr. Chamberlain to the plan of stamped scrip, let us ask ourselves, who would pay for the majority of the stamps? Stores which sell food and common necessities would doubtless have to stamp most of the scrip, but trade is sufficiently depressed at the moment to make merchants willing to do business part of the time at the rate of ninety-seven cents on the dollar. The scrip would actually fly from customer to store, to employee, to store, to customer, etc.

If the government wishes money brought into use, it need only cultivate people's taste for spending by putting some of this "hot cash" into circulation.

CECIL HEADRICK.

New York City.

## Crockett Letters

SIR: I am seeking certain letters written by David Crockett from Arkansas, Louisiana or Texas in 1835-6, referring to one Harrington or Greene. Hough mentions this correspondence in "The Way to the West." I am hoping that the owner of the letters may give me the privilege of seeing them in transcript or photostat for use in a book on Crockett, now nearly completed, to be published by Harcourt, Brace and Company. I may be addressed at 111 Luton Avenue, S. E., Grand Rapids, Michigan.

CONSTANCE ROURKE.

Grand Rapids, Mich.

## The Marxian Dialectic

SIR: I should like to make some observations concerning the excellent exposition of the Marxian dialectic by Professor Sidney Hook in The New Republic of March 22. The process of social change as analyzed by Marx, is, as is quite evident, simply a transference of the Aristotelian analysis of physical change; Professor Hook recognizes this in north-north-west fashion in the remark that "the logic of the situation is not foreign even to natural phenomena." And, as he also points out, "the distinctive character of the social dialectic as opposed to the dialectic process in nature lies in the fact that human consciousness is involved."

Now, however, Professor Hook goes on to say that this common-sense social philosophy, if recognized, would mean the destruction of "religious values and attitudes which stress prayer rather than knowledge and action. . . ."

Now it so happens that the Aristotelian philosophy (of which the Marxian dialectic is only an incompletion and a distortion) is the philosophy of the Catholic Church. If the Marxian dialectic were honest with its own thought processes it would be quite Catholic; but it errs in defect by ignoring the inevitable conclusion of its arguments, namely, the final cause of all change. And failing here, it denies to what Professor Hook calls one of "the most precious of all virtues," intelligence, its superiority to the material.

The true object of the intellect is that which is more knowable, the First Cause; for as Aristotle remarks, it is by reason of this and and from this that all other things come to be known, and not this by means of the things subordinate to them. If Professor Hook were aware of Catholic teaching, he would understand, then, that prayer cannot be stressed *rather* than knowledge and action. If you ask anyone to what, and why, and with what expected results his knowledge and action are directed you will find difficulty in getting an answer; Marxism answers round a circle when it should, if it were only honest, be able to answer truly.

CHARLES N. R. MCCOY.

Chicago, Ill.

## Extracts from Letters

JOSEPH R. ROSE, of Philadelphia, sends us a note of correction of a statement made by Professor Edwin M. Borchard in his article, "The Wrong Road to Peace," in our issue of June 28. Mr. Rose points out that it was Lord Lansdowne, and not Sir Edward Grey, who was in office in 1904 when the Anglo-French agreement was consummated.

Miss Catherine Bauer, New York City, thinks Mr. Hobson might have added to his category of the causes of depression, which included oversaving by the rich, oversaving by the poor. "The job gamble and complete lack of economic security tend to make premature owners of capital of a very large group of even low-income workers. Hundreds of thousands of people, whose wants are by no means satisfied, whose lives are often no more than just above the subsistence level, regularly set aside small sums of money against the proverbial rainy day. This money finds its way into capital investment just as surely as the excess profits of the rich. And just as surely again, there is more of it during periods when wages are relatively high. This tends to make whole sections of the middle class and even proletarian population abnormally and quite illogically conservative, at just that crucial moment when radical measures are most necessary. . . . Social insurance and some psychological revolution which would put the wage level ahead of the 6-percent investments, ahead even of bank deposits, on the list of Holy Things, would seem to take their place among Mr. Hobson's curative measures."

Mr. Herbert Bruce Brougham writes to dispute an observation by Mr. John Chamberlain, discussing the Douglas Social Credit Plan in our issue of May 31, that the Douglasites are indebted to Frederick Soddy's book, "Wealth, Virtual Wealth and Debt." Mr. Brougham quotes from a statement from Professor Soddy in 1924 which said: "I have profited greatly by and desire to make full acknowledgement of the writings of Major Douglas and his school and have been stimulated by his work on credit reform and on the inefficiency, sabotage and waste that at present are inseparable from our system of distributing wealth." Mr. Brougham thinks that Major Douglas not only anticipated some of Professor Soddy's later writings, but also the conclusions of the Energy Survey of the Technocrats.

Abraham Epstein, executive secretary of the American Association for Social Security, Inc., New York City, writes to us in comment on reports by the New York City Department of Health that the death rate has been dropping lower and lower during the depression. Mr. Epstein believes that the statistics which seem to support this view are meaningless because the population of New York and other large cities has tended to decline during the depression. He believes that the population is now overestimated by several hundred thousand.

Nathaniel S. Olds, New York City, writes to comment on the subject of Mr. David Selznick's salary as a motion-picture executive, discussed by Mr. Max Steuer in our issue of May 24. Mr. Steuer commented on Mr. Selznick's salary of $4,500 a week and referred to Mr. Selznick's ability to "render service to the community," which prompts Mr. Olds to ask: "If Mr. Selznick or Mr. Anybody Else draws a motion-picture salary amounting to $4,500 per week, what proportionate service does he perform to earn it? . . . How and to what degree are his activities, as reflected in his company's average productions and earnings, 'service to the community'?"

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# The Rover Boys in Wall Street

*Henry P. Davison: The Record of a Useful Life, by Thomas W. Lamont. New York: Harper and Brothers. 395 pages. $3.50.*

THIS biography must surely take its place among the world's most incredible works of fiction. Reading it is not a literary experience, but an emotional, intellectual and physical ordeal; it is like having a clumsy dentist grind down on a nerve, while telling you warmly that he feels no pain. Under the guise of writing a life story of one of the Morgan partners, Mr. Lamont has prepared an elaborate apology for the House of Morgan, a defense, a tribute, a justification so complacent as to make the "let them eat cake" gesture seem by comparison to indicate a tender-hearted awareness of distress. To the criticisms of the House of Morgan that have been made, Mr. Lamont replies with platitudes, and when his platitudes seem unconvincing, he repeats them.

The biographical material can be disposed of quickly. For his literary models Mr. Lamont has rejected the subtleties of Strachey and the modern biographers, and gone straight back to the Rover Boys school of writing, even to the extent of approximating his models' language and point of view. So we have, in several chapters, Harry Davison at Greylock School, Harry Davison the Young Bank President, Harry Davison and His International Red Cross, and Harry Davison and His World War. In school and in the banking world he quickly became a leader; he loved jokes and he loved to hunt; he moved rapidly through the Liberty National Bank, the First National, the Bankers Trust, to his Morgan partnership.

But, as I have said, the biography merely provides the frame for Mr. Lamont's picture of the House of Morgan. And what a dashing, highly colored, rosy picture it is! The partners appear, almost frantic in their zeal for the public welfare; they calm panics, they rush to the aid of wounded banks and stricken governments, they save the credit of the city, help win the War for the Allies; and in all this stir and bother they are always worrying about the well-being of the American workingman, American industry, and that elusive entity, "the situation." Now they are straightening out the financial situation in New York, and now dashing off, undismayed, to China; and next we see them in England, not even fatigued, preparing the loans for the Allied governments—those loans which were to mean "increased wages for the workingman." What tireless champions of the workers! And in all their efforts they reveal an almost inhuman unselfishness, self-sacrifice and industry, particularly sturdy old J. P. Morgan, the leader of them all, and energetic, fun-loving Harry. It was Harry who thought of the plan of having the British government coördinate its war purchases in the United States by making the House of Morgan its sole agent. "'All right,' said he to Mr. Morgan, 'you jump on the steamer and make the offer first to the British authorities.' 'You jump on the steamer yourself,' retorted Mr. Morgan," and that is exactly what Harry did!

But there were more poignant examples of the public spirit of the firm. There were the panic of 1907, the Pujo investigation, the case of the Nineteenth and Twelfth Ward Banks. In this last case, two small banks were on the point of closing when Morgan learned that the depositors were "mostly Eastsiders, working people, small tradesmen, dressmakers, persons whose little all is on deposit," and he acted with remarkable energy and kindness. "Some way *must* be found to help these poor people," he said, and a little later, "whatever happens, don't let those poor people lose their money." As Mr. Lamont heard both remarks, he was naturally indignant when newspapers later described the event as "Morgan Gobbles Up More Banks."

The partners had their enemies, even as the Rover Boys had their bully to harass them. There was the "money trust craze" as Mr. Lamont describes the Pujo investigation, and while his attitude toward it is one of puzzled tolerance, a wonder as to what irrational impulses brought it about, he considers it a tragedy, for it led to the elder Morgan's death. "Never before in his long life of high purpose and achievement had anyone impugned Mr. Morgan's motives or cast doubt on the uprightness of his dealings." It cut him to the quick, and even though his friends pointed out that the charges were pressed by men unfamiliar with the world of affairs, he would not be consoled. Even though he knew he had scored a thumping victory, and that Davison had ringingly announced to the Committee that the House of Morgan could do no wrong, the "knowledge seemed not to lessen his sense of mortification and melancholy" and he died, Mr. Lamont implies, of a broken heart.

In general, Mr. Lamont is curt with critics of the firm; he calls them prejudiced. Those who charge that the bankers drew the United States into the War, to make good their loans to the Allies, he calls absurd, ridiculous, fantastic. "A charge so unwarranted and absurd as to be ridiculous," he calls it, and in the next paragraph, "a picture so ridiculous as to refute itself by the mere statement of it." It is fortunate if it *does* so refute itself, for Mr. Lamont offers no other proof. Similarly, Davison's use of part of the $100 million raised in the first Red Cross Drive was "feebly" questioned by some who thought the money was to go for bandages and hospital work. Davison had a broader view. The autumn of 1917 was the most discouraging period for the Allies: there was the Caporetto disaster in Italy; Kerensky had been succeeded by "the red terror of the Bolsheviks"; and, worst of all, there was mutiny in the French trenches; the men were exhausted and worried about their families. As chairman of the American Red Cross, Davison turned over "considerable sums" to Pétain, and the money was given to the families of the men, to quiet them and restore their morale.

This is a book for revolutionists! It is a book for those periods when their revolutionary energies are flagging, when the difficulties seem too great, the dissension in their own ranks too disheartening. A few minutes with it, a single chapter, should act as a tonic to revitalize them and convince them again of the necessity of their function. It is also a book for those who have been insensibly influenced by the Booth Tarkington or even by the Sinclair Lewis picture of the business man, for a kind of rubbery, imperishable complacency runs through these pages, a self-satisfaction that turns all condemnation into praise, a smugness more far-reaching than any artist has pictured. There is scarcely a line in it to indicate that either the author or his subject ever saw more in the War than its financing, or could visualize any tragedy except those which happened to their friends. The final impression is a little terrifying. Is it possible that there is a connection between this blindness, this insensitivity, and the positions which these men hold or have held? Is it possible that our society lavishes its greatest rewards on the morally and esthetically obtuse? They always win, Henry James wrote, who are all will, with no leak into tenderness or taste, and whatever else this book reveals, it is a powerful confirmation of his insight.

ROBERT CANTWELL.

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# The Last New Englander

*Selected Letters of George Edward Woodberry. With an Introduction by Walter de la Mare. Boston: Houghton Mifflin Company. 307 pages. $3.50.*

*Selected Poems of George Edward Woodberry. Boston: Houghton Mifflin Company. 128 pages. $2.50.*

JUST AS someone is always being called the last of the Victorians, only to yield to a later claimant of the title, so someone is always being called the last New Englander of the old school: at times one imagines that the real candidate for this honor is now playing baseball or studying algebra at Bennington or Newburyport. The identity of the last leaf appears to be as disputable as that of the first man. Yet there are ways in which George Edward Woodberry seems to have deserved the title as no one is likely to do henceforth. He was Yankee to the last drop of his blood; he was born just early enough to have been boyishly stirred by the issues of the Civil War; he had listened to Wendell Phillips; he had studied with Norton and Henry Adams at Harvard, and been befriended by Lowell and Colonel Higginson; and, though—like plenty of Yankees before him—he had wandered far from Beverly both in body and in spirit, he never really shook the dust (physical or moral) of Essex County from his feet. His distinction as a writer—his mingling of almost feminine sensibility with an arduous ethical idealism—was based on a kind of marriage of the Longfellow and the Whittier strains; and his failure to achieve any very great distinction, his falling short—as surely he did—of becoming something more than a graceful *epigonus,* suggests that the old stock, if it is to bear new fruit comparable with the old, needs more heroic treatment than it obtained in his career. He himself, in fact, as these letters show, felt that the newer world, like the motor traffic in Beverly, was rushing incomprehensibly past him, and in his middle and later life Woodberry sank into a melancholy hardly less complete, though it was less acrid, than Henry Adams's.

If he had been merely one of the last chilly celebrities of the genteel tradition, no one could possibly care now whether he had comprehended the motor traffic or not. What gives his career a minor but genuine significance is that he felt himself to be—and within narrow limits was—the heir of the more militant, the more rebellious, the more ardent and the more humanitarian spirits of the old order. All the generous impulses of Transcendentalism and Abolitionism, all their habits of resistance to things as they are, came down to him as suitably as the Oriental bric-a-brac brought home by his seagoing ancestors. Unlike most of the New Englanders of the silver age, Woodberry still had something of the come-outer in his make-up, and a lifelong devotion to the poetry and the aspirations of Shelley—a Shelley subtly transmogrified into a somewhat Unitarian shape—was the measure of his intended intransigence. "I am apt to differ," he wrote to a young man, "from established opinions about anything, or to hold them with some vital difference." Abortive as his "differences" were, there is truth in this bit of autobiography. When one reads Woodberry's address on Wendell Phillips, delivered in 1911, one gets a strong impression of his uniqueness, as a potentially critical and radical thinker, among the timid *littérateurs* of his generation.

> If our economic system [he said] necessarily embodies a principle of caste, why, then, as Phillips said, "let it crack." . . . I deplore the temper which acquiesces in the conception of permanent servile classes in the state, educated to be such, and the spirit of deference thereto, on whatsoever ground it may be based. It is not by deference that men win their rights. . . . I cannot bear that we should tear the Declaration across, revoke our welcome to the poor of all the earth, tyrannize over weaker states, conduct our diplomacy on a basis of trade instead of right, or abate by a hair's breadth our standard of human respect for all mankind. I lament the acquiescence of the times in a general recusancy to our fathers' principles. "The feet of the avenging hours are shod with wool," said the old Greeks. In the end God takes his price.

These are the accents of the old fire-eaters of Faneuil Hall, and they permit no doubt as to where Woodberry's natural sympathies lay. He was a radical democrat in theory and, though in his essay on "Democracy" he conjured up a largely imaginary picture of the golden achievements of democracy in America, he never cynically abandoned the political idealism of his youth. As to these achievements of American "democracy," he was capable of speaking in other than complacent tones. So far as I know, he was never guilty of Colonel Higginson's fatuity in a phrase or two from his book on Margaret Fuller: "Now that much which Transcendentalism sought is fulfilled, and that which was ecstasy has . . . become daily bread . . ." On the contrary, he was profoundly discontented with the temper and the movement of American life in his time, and painfully out of sympathy with his generation. His own career seemed to him an obscure but typical failure, and he was not naturally inclined to shift the blame for it upon the shoulders of society; but the miscarriage of his hopes had made him acutely critical in something like the old Transcendental vein.

> Since I have been much abroad [he wrote to John Erskine in 1911] I have come to think of America as a backward nation, in all those things that are in a region above the material and mechanical parts of life and civilization. . . . The democracy in which I was bred was of the souls of men; but the fruit here seems to be of their bodies. . . . And for that other unfulfilled side—what a spectacle of Money (with a big "M"), of material conflict at what a cost of life truly considered, what an anathema of ideal ends as such . . . what a reaffirmation of the god-ruled necessity of servile classes, what heartless indifference to justice and happiness in the outcast mass, what an increase of this outcast mass of the "colored peoples"—and so on! I own I am shocked in my darling beliefs—and I look on the desert as the only fit place for me.

This last is the other strain in Woodberry, and the less admirable one. He had inherited the abstract faith of his predecessors, but not their strenuous will. The Longfellow vein was stronger in him than the Whittier vein: his sensibilities were too refined for struggle in a brutal age and, like Henry Adams, he fell back again and again on an attitude of stoical passivity or half-sincere indifference. So early as 1880, he speaks in a letter of "that submission to the inevitable which is becoming my custom," and years later he writes to a lawyer friend: "I hope you are all too busy to care whether justice is possible—content if 'an arrangement' can be reasonably effected. The new year will not see Astræa, but it may see the rent paid anyway—that is human success, isn't it?" These are not the tones of the Wendell Phillips address, and neither are those recurrent expressions of a longing to escape.

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> I do ache [he writes] to go on the long ride, to take ship and sail away; and little do I care at heart for any of those thoughts of "being of use" that I imagined in my other days were an inexhaustible daily bread for grown men. I am a grown man—rather late I acknowledge—and the world may go its way for all me—I don't really care in the least. I am hardened to its fate, and content if I can bring a smile to some poor child's face in Morocco or Ispahan.

One sees very evidently in such passages what has happened to the ancestral activism.

One sees in them also what accounts in part for Woodberry's failure, not only in the vulgar sense, but on his own high grounds. The hallmark of anemia is unmistakable. There is so much noble feeling in Woodberry's writings, there are so many vestiges of a vital tradition, that he has been accepted in some quarters as a far more memorable writer than he really is. In fact, his limitations—of sympathy, of curiosity, of insight—are startling in so essentially distinguished a person: his idealistic aspirations remained singularly insubstantial; his social and political dissent remained extremely philosophic; his critical theories and literary tastes remained eclectic and conventional to a surprising degree. He was capable, in a book on American literature, of discussing Longfellow, Bret Harte and Joaquin Miller at some length, at the same time that he had scarcely a word for Thoreau, Whitman or Mark Twain. He might fulminate against the injustices of the economic system, but he declares himself to have sympathized with Theodore Roosevelt's performances in the Spanish War, and during the last imperialist war he was in a constant state of patriotic excitement. His own verse is pure and delicate, but it is sonorous, in a muffled way, with echoes of the great bards. His letters express nothing quite so insistently as spiritual fatigue, disenchantment, a sad sense of loneliness and defeat and, finally, the darkest and most sinister views of the world's future. The flame kindled by the elder protestants had flickered feebly, under his ministrations, for many decades; but at last it had sunk down and quite expired. Obviously it was no longer to be fed with the old fuel.

NEWTON ARVIN.

# The New Machiavelli

*International Politics: An Introduction to the Western State System, by Frederick L. Schuman. New York: McGraw-Hill Book Company. 943 pages. $4.*

IN FORM this inclusive work is divided into four books, of which the first two are practically independent volumes. Book I is a study of the origins and evolution of the western state system, from the city-states, kingdoms and empires of the ancient Near East and classical antiquity to the present day. Book II presents a compact outline of international public law, the practice of diplomacy, the settlement of international disputes, and public international organization. It deals with the formal side of international politics, just as the preceding book dealt with its history. These two books take up considerably less than one-third of the entire work. They are ably done—Professor Schuman can do no less—but it is only when we reach the third and fourth books, dealing respectively with "Forces" and "Prospects," that the author reveals himself as a political thinker of the first magnitude. Perhaps he is not an entirely original thinker. It may perhaps be said that there is not in the entire work a single proposition that is wholly original. The facts are well known, the deductions are not new. Yet the extraordinary comprehensiveness of the treatment and the powerful systematization produce the effect of a wholly original work, admirable alike for its immense erudition, the orderly array of facts, the clarity of its thought and, above all, its cold, calm, fearless realism, which shrinks from no fact, however disagreeable, and no conclusion, however unpopular.

Professor Schuman is the Machiavelli of our age. He shows it its form and pressure. The old Machiavelli, witnessing the dawn of the new national era and of the new western state system, described the methods by which the politics of power and princely aggrandizement must be pursued. The new Machiavelli, witnessing the twilight of the national era and of the western state system, points out the causes as well as the effects of nationalist and imperialist passions, strivings and conflicts. "Western civilization is already old. It may already have run its course and be headed toward a long twilight of decline. In any case, its problems are immediate, pressing, threatening. They will be solved within the next few decades, or they will not be solved at all." Economic planning and international government must replace the strife of classes and nations if civilization is to be preserved. The politics of power must be discarded, within the states and between the states. There are two roads. One leads to Moscow, the other to Geneva. The road on which we are now traveling leads to war and chaos. Professor Schuman fears the Moscow road of violence, war and revolution. He much prefers the road of peace and reason and evolution by way of Geneva. But the tensions are increasing, time presses, and "no realistic observer can afford to be optimistic over the prospects."

HERMAN SIMPSON.

# Regulating the Utilities

*Public Utility Regulation, by William E. Mosher and Finlay G. Crawford. New York: Harper and Brothers. 629 pages. $5.*

THIS EXCELLENT volume reviews the problems which have arisen as the result of the quarter-century adventure by our states in the regulation of public utilities. The authors admit the failure of the various public-service commissions to reduce rates commensurately with the decline in costs. They admit the padding of valuations, the granting of excessive rates of return upon common stock, the milking of operating concerns by holding companies, the wild-cat financing which has worked such havoc and the unscrupulous methods of propaganda and of political influence which have been so common. As a remedy they suggest a program of reform which, if followed, would do much to overcome these defects while leaving the ownership of public utilities in private hands.

Non-political commissions, adequately trained and financed, and taking the initiative in launching investigations, instead of sitting back passively and throwing the crushing expense of action upon the municipalities and private bodies, would help. So would the extension of federal control over interstate transactions. An appraisal of existing properties upon the basis of the average 1923-1932 price level, with the addition of future capital reckoned in terms of prudent investment, would furnish a fair method of valuation. The limitation of the rate of return to the actual cost of floating bonds and preferred stock plus a given rate for the common stock would be far better than the present overall allowance—which gives to the holders of common stock not only the average

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rate itself, but also the difference between this rate for the amounts covered by the senior securities and the actual rate which has to be paid upon the latter. Another badly needed reform is the regulation of holding companies, in order to prevent excessive service charges and to check the syphoning out of profits and the pyramiding of control. Finally, adequate control by the commissions over supply and other contracts with affiliated interests would tend to decrease the possibility of insiders' milking the operating companies.

Unless these reforms are carried out, the authors admit that public ownership will be the only real protection left. But neither the authors nor the facts give any robust hope that these well conceived reforms will actually be put into effect on any considerable scale. The truth of the matter is that the utility industry has given lip service to public regulation but has fought nearly every move to make it work. Effective regulation will therefore have to be imposed against the will of the industry. To do so requires not only an informed and alert public opinion; it also requires men who are financially independent and who cannot be ruined by the coercive forces which will be thrown against them. There were such men to support La Follette in Wisconsin in the early days of regulation; they were drawn from the ranks of the small manufacturers, merchants and professional people. There are few such in the major industrial states of today. Behind the utilities stand the banking and financial interests which also control the major industries and exert a pervasive influence upon all walks of life. To oppose publicly the will of these groups is generally sheer economic suicide for those who take the field. It is therefore more and more impossible for a nation of employees and retainers to regulate their economic masters.

Lincoln Steffens, therefore, cuts more closely to the crux of the problem than does this book, excellent as it is. Utility managers who are responsible to the interests behind them cannot be content with the "fair" profits which effective regulation would give. They will inevitably seek maximum profits and, to obtain these, they will probably be driven in the future, as they were driven in the past, to procure the necessary legal protection by corrupting politicians. Praiseworthy as are the attempts to obtain reform through effective regulation, the sober realist must confess that there is little real hope either of such regulation or of cleaning up state and municipal politics as long as the utilities are so overwhelmingly in private hands.

PAUL H. DOUGLAS.

# "Our Little Systems"

*History, Psychology and Culture, by Alexander Goldenweiser. New York: Alfred A. Knopf. 500 pages. $5.*

ACCENTS change so rapidly in the social sciences that much of the literature in the field published a decade ago now appears as stale as yesterday's newspaper. The articles here collected, however, although most of them were first published between 1910 and 1925, are for the most part relevant to contemporary anthropological discussion. In their present cumulative form they comprise one of the most lucid presentations of the theoretical contributions of American anthropology available. They are widely disparate in content and tone, ranging from casual dilettantism to excessive specialism; some are probably destined to become classics while others are so fugitive that better judgment should have dictated that they be permitted to remain in obscurity.

American anthropologists, influenced largely by Boas, have functioned primarily in the unenviable role of spirited critics of others' systems. They have brought into the range of their incisive attacks such diverse schools of thought as the geographic determinism of Ratzel, the diffusionism of Graebner, the unilateral evolutionism and the crude comparative method of the classical evolutionists, the concept of pre-logical mentality of Lévy-Bruhl and the theories of Nordic racial superiority in the tradition of Gobineau. Goldenweiser plays upon the whole gamut of these polemics with skillful emphasis on the constructive syntheses that emerge. His special interests lie in the perplexing problems of totemism—which he has clarified in important contributions included in this volume—and in the principle of limited possibilities in the development of culture as an explanation of cultural resemblances in widely separated areas. Probably the contribution which has had most influence on subsequent discussion is his critique of Frazer's erroneous identification of magic and primitive science. The criticisms of Freud and Durkheim are provocative; the analyses of the historical interrelations of anthropology and psychology will be manna to psychologists.

Yet there is a lack of substance in some of the articles when one penetrates their beguiling literary masks. The ambitious opening article which gives the volume its name, for example, resolves itself into a mere scholastic arrangement of categories in the manner of the system builders which sociology has bred so prolifically. Variations of the theme of the relation of the individual to culture as a historical product recur repeatedly, but nowhere does Goldenweiser deal with the fundamental problem of the role which property relations play in the cultural configuration and in determining individual behavior. In his occasional references to Marx, where one would expect to find such an analysis, he superficially confuses historical materialism with economic determinism. The ineptness of his paean of praise to experimental education cannot be explained away on the ground that the article was originally a popular lecture; it reveals a faith in educational institutions as agents of social change that belies Goldenweiser's earlier acknowledgement of the necessity of revolutionary transformations to achieve basic modifications in established social institutions.

BERNHARD J. STERN.

# Book Notes

## BIOGRAPHY

CECIL RHODES, by William Plomer, *New York: D. Appleton and Company. 180 pages. $1.50.*

In this succinct biography Mr. Plomer takes Rhodes's reputation for a ride and puts it on the spot with neatness and dispatch. Not all his scrupulous fairness as to the facts, his giving the devil his due for shrewdness, industry, personal magnetism and physical courage, can disguise the fact that Mr. Plomer heartily dislikes his subject. This very dislike, however, is instructive. Mr. Plomer knows South Africa. He has written of native life with deep understanding and sympathy. Like Olive Schreiner, he puts human values in Africa above such "speculator's dreams" as those which made Cecil Rhodes famous. His book is significant, less for its account of Rhodes—even whose good qualities he somehow finds distasteful—than for his indictment of the nineteenth-century British imperialism which reached its apotheosis in Rhodes and found its prophet in Kipling. Sentimentalizing neither the natives nor the Boers who were its chief victims, he sees this imperialism as ruthless, sordid and cynical beneath its covering of fine phrases about the spread of civilization and the White Man's Burden. Pricking the bubble of Rhodes's reputation, he

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also pricks the larger bubble of traditional hypocrisy in which such unscrupulous adventurers are made to appear as "idealists," "creators" and heroic "dreamers."

HENRY ADAMS, by James Truslow Adams. *New York: A. and C. Boni. 246 pages. $2.50.*

Although Henry Adams may not have been a first-rate mind, he had moments of brilliant prophecy—he foresaw quite clearly, forty years ago, the world we now live in; he is one of the most enigmatic and tragic figures in the history of American culture; and for all its "failure," his life had great beauty and persists in fascinating posterity. He merits a keener historian than Mr. James Truslow Adams (no relation), amiable popularizer of our "marching" destiny. On the whole, the elusive complexities of Henry's spirit which, as he declared, was all "taste and dexterity," evade the rather clumsy embrace of his biographer. Moreover, James Truslow Adams belongs to the school of biography which "draws the veil," though Henry Adams's domestic disaster is by now widely known and reflects no discredit upon him, while explaining part of his inward unhappiness. One asks for more than this brief, sketchy study, not because the celebrated "Autobiography" needs to be surpassed or repudiated, but because the whole theme of Adams, in his conflict with the era of Grant, Tweed and Jay Gould, seems enormously rich and calls for the appraisals or interpretations of a truly critical intelligence.

## World Affairs

THE GERMAN JEW: HIS SHARE IN MODERN CULTURE, by Abraham Myerson and Isaac Goldberg. *New York: Alfred A. Knopf. 182 pages. $1.25.*

This is a summary of the contributions of the German Jew to modern culture. The tone of the book is indicated by a statement of Renan which the authors quote: "Examine closely the enemies of Jewry and you will find that they are generally the enemies of the modern spirit."

HITLER: MENACE TO MANKIND, by Sidney Wallach. *New York: Emmerson Books, Inc. 32 pages. $.35.*

This pamphlet records the career of Hitler and other Nazi leaders, and evaluates the National Socialist campaign, which is based on "hatred, hatred, and more hatred." The author concludes that Hitler must either redeem his promises of a Greater Germany at the price of war, or else retract them, but that, whatever course he chooses, years will be required to erase the Nazi scars.

THE STRANGE CASE OF HERR HITLER, by Everett R. Clinchy. *New York: The John Day Company. 30 pages. $.25.*

Describing the Versailles Treaty as its fundamental cause, the author analyzes Hitlerism by the methods of anthropology, applying particularly Sumner's conception of group behavior in terms of the "ins" and the "outs."

SWASTIKA: THE NAZI TERROR, by James Waterman Wise. *New York: Smith and Haas. 128 pages. $1.*

Mr. Wise gives an account of the background of anti-Semitism in Germany and records the events since Hitler's ascension to power. The book contains documents which have eluded Nazi censorship, and proposals for fighting "the brown terror."

INEVITABLE WAR, by Lieutenant-Colonel Richard Stockton. *New York: The Perth Company. 826 pages. $7.50.*

The United States has not produced the type of military writers found in England and on the Continent who can discuss military policy in relation to international politics with intelligence, if not learning. If this book by Lieutenant-Colonel Stockton, who holds a commission from the Reserve Corps, is the best argument the American military school can offer, militarism would seem to be doomed. The author's thesis is that "peace efforts have always 'flopped' and pacifists theories have consistently been wrong," because of that dreadful enemy, Human Nature, which only a strong army and navy can keep in hand. The true cause of war is the "inability of the human mind to determine, accurately and invariably, that which is right and that which is wrong." The valuable part of this volume is its description of the military organization of the United States.

POLITICAL HANDBOOK OF THE WORLD: 1933, edited by Walter H. Mallory. *New York: Harper and Brothers, for the Council of Foreign Relations, Inc. 202 pages. $2.50.*

This volume lists the rulers, Cabinets, parties and leading press of almost every nation of the world. In addition it endeavors to summarize briefly the policies of the leading parties of each country. Events have already made its German section worthless, but the volume as a whole is a handy reference work for the student of current politics.

## Fiction

LITTLE FRIEND, by Ernst Lothar. *New York: G. P. Putnam's Sons. $2.50.*

"Little Friend" is a novel of the aristocracy and upper-middle classes of post-war Vienna. The protagonist is a child, Felicitas Tagman, who leads a sheltered life in a well-to-do household. Her father is Jewish and her mother an aristocrat. The whole domestic atmosphere is one of suspicion and abnormal tension which affects the child's health and studies. She strives constantly to reconcile her parents, but the tension rises until there is a divorce suit in which the child gives testimony. Afterwards, fearing she has been the cause of a final estrangement between father and mother, she attempts suicide. She is rescued, and there is a quiet dénouement. This original novel contains much sound observation and a wealth of detail concerning the mental processes of a child. Also, there are many implications of social criticism that should be fruitful for those whose concern with literature is "sociological." The translation is by Willa and Edwin Muir.

LOST, by Dale Collins. *Indianapolis: The Bobbs-Merrill Company. $2.*

The "S. S. Avonbridge," carrying many kinds and conditions of men, turns her course from Capetown the day she is due, to rescue a distressed ship off that phantom speck in the Antarctic—Thompson Island. The story, seen through the eyes of fourteen-year-old Meg Phillimore, is an extraordinarily witty adventure mystery from the moment the captain issues his orders for the search to the airplane rescue of the "Avonbridge's" few survivors after its wreck on the icy island and their six months' battle for survival there.

## Contributors

Jonathan Mitchell, who for several years was a European correspondent for The New York World, is the author of "Goose Steps to Peace."

W. H. Auden, a protege of T. S. Eliot and a member of a small group of Oxford University poets, has published poetry in numerous magazines and has written a book of verse, "The Orators." His "Song," published in this issue, aroused much controversy in England, and Ridgely Torrence, the poetry editor of The New Republic, is inclined to agree with the English critics who regard it as a step backward from his earlier metaphysical poems.

Robert Cantwell's second novel, "The Land of Plenty," will appear early in the fall under the imprint of Farrar and Rinehart.

Newton Arvin, an associate professor of English at Smith College and the author of "The Heart of Hawthorne's Journal," is at present at work on a life of Theodore Parker.

Herman Simpson is at present free-lancing in New York City.

Paul H. Douglas, professor of Economics at the University of Chicago, is president of the Utility Consumers' and Investors' League of Illinois.

Bernhard J. Stern, an assistant editor of "The Encyclopedia of the Social Sciences" and lecturer in Anthropology at the New School for Social Research, is the author of "Lewis Henry Morgan: Social Evolutionist."

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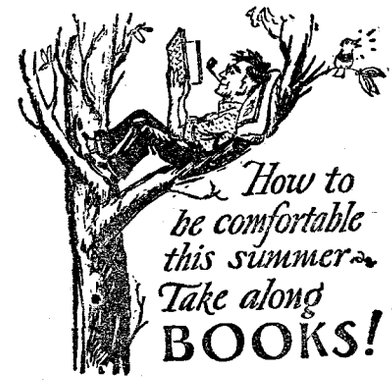


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